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# *City of Boston*

*Massachusetts*

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## **Comprehensive Annual Financial Report**

*For the Fiscal Year Ended June 30, 2000*



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*City of Boston*

## *Massachusetts*

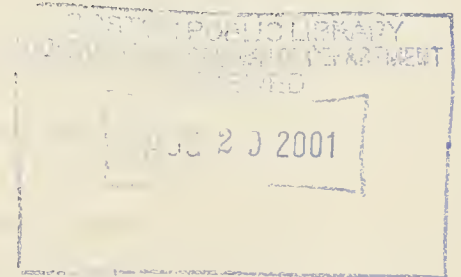
# Comprehensive Annual Financial Report

*For the Fiscal Year Ended June 30, 2000*

**Thomas M. Menino, Mayor**

***Edward J. Collins, Jr., Chief Financial Officer***

***Sally D. Glora, City Auditor***



*Prepared by the City of Boston Auditing Department*



*Photographs provided by Webshots.com*

*Cover and divider production by the City of Boston Graphic Arts Department*

*Cover photo: City skyline from the Boston Harbor*

*Back Photo: Custom House Tower at night*



**City of Boston, Massachusetts**  
**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended June 30, 2000

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A photograph of the Samuel Adams statue in front of the Massachusetts State House. The statue is a bronze figure of a man in 18th-century attire, standing with his arms crossed. It is set on a large, dark stone pedestal. The background features the classical architecture of the State House, including arched windows and a pediment. To the left of the statue is a large, leafy tree. The text "INTRODUCTORY SECTION" is overlaid in the center of the image.

# INTRODUCTORY SECTION

SAMUEL ADAMS  
1722-1803  
A SYMBOL  
OF REVOLUTIONARY LEADERSHIP  
AND THE  
FIGHT FOR INDEPENDENCE

*Samuel Adams Statue*





**City of Boston**  
**Auditing Department**  
December 18, 2000

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Boston • Massachusetts 02201  
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***The Honorable Mayor and  
Members of the City Council:***

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Boston ("City") for the fiscal year ended June 30, 2000. The accuracy of the financial statements together with the completeness and fairness of their presentation are the responsibility of the City's management. The enclosed data is accurate in all material respects and all disclosures necessary have been included to present fairly the financial position of the City. The financial position and results of operations of the various funds and account groups have been prepared in accordance with generally accepted accounting principles (GAAP), as established by the Governmental Accounting Standards Board (GASB). The requirements of State finance law of the Commonwealth of Massachusetts and the City Charter have also been satisfied.

The report is presented in three sections: (1) the Introductory Section includes general information about the City and summarizes financial activity for the fiscal year; (2) the Financial Section includes the Independent Auditors' Report on the City's General Purpose Financial Statements, the General Purpose Financial Statements and the Combining and Individual Fund Financial Statements and Schedules for the various funds and account groups including required supplemental information; and (3) the Statistical Section includes financial data, debt computations, and a variety of demographic, economic and supplemental statistical information concerning the City.

In addition to all funds and account groups of the City, the report includes information pertaining to component units included in the City's reporting entity because of the significance of their operational and/or financial relationship with the City as required by GASB Statement No. 14. The State-Boston Retirement System (SBRS) has been presented as a blended component unit because it provides services almost exclusively to the primary government. Discretely presented component units are reported in a separate column to emphasize that they are legally separate from the City but are included because the City is financially accountable for and is able to impose its will on the organization. The following component units have been discretely presented in the General Purpose Financial Statements: Boston Redevelopment Authority, Economic Development Industrial Corporation, Boston Public Health Commission and Trustees of the Public Library of the City of Boston.

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Thomas M. Menino, Mayor  
Sally D. Glora, City Auditor



## **Economic Conditions and Outlook**

The City of Boston is the economic hub of both the Commonwealth of Massachusetts and the New England region. It is a center for professional, business, financial, higher education and medical services as well as transportation, communication, export, cultural and entertainment activities. Boston is also the State capital and the host to several federal agency offices. High technology, tourism, research and development, manufacturing, and wholesale distributions also contribute to the economy of the City and its suburbs.

The City of Boston is the twentieth largest city in the United States. In 1998, the City had a population of 555,447, as estimated by the most recent Census Bureau data and the number of people who work in Boston had increased to 671,023 as reported by the U.S. Bureau of Economic Analysis from data of the Massachusetts Department of Employment and Training. The ratio of jobs to population indicates that the City provides a direct source of employment and income for an area that extends well beyond its borders. Measured in terms of jobs, the City's economy comprises approximately 21% of the Massachusetts economy and 10% of that of the six New England states. The population of Boston is young, in part because of the high concentration of people who come to the City to attend school or to work. Another characteristic of Boston's population is the racial and ethnic diversity of its residents: the racial composition is 59% white and 41% minority.

## **Overview of Local Economy**

### ***Current Economic Conditions***

The current status of the Boston economy is one of an eight-year economic expansion following the 1988-1992 downturn. Economic results for calendar year 1999 reveal continuing economic growth as measured by many of the primary economic indicators. Partial 2000 data also show continuing economic strength.

Economic trends for Boston are positive, with increasing employment, low unemployment rates, a strong demand for commercial office space, strong and rising values in residential real estate, over \$2.11 billion of private development construction investment in fiscal 2000 and the continuation of several large public sector projects that will increase the infrastructure capacity of the City.

### ***Information regarding Major Industries***

Boston continues to show economic strength in the retail, hotel, commercial, office and housing market sectors.

### ***Retail Market***

Boston's regional retail market comprises a five-county area with over \$37.69 billion in retail sales in 1997. In the City, retail sales are estimated annually at about \$4.26 billion in 1997 according to U.S. Census Bureau reports. Boston's major retail districts in the downtown and Back Bay areas include Downtown Crossing, Faneuil Hall Marketplace, Copley Place, the Prudential Center, and Boylston and Newbury Streets. Recent major retail projects in downtown Boston include the Lafayette Corporate Center in Downtown Crossing as well as the enlarged Prudential Center retail mall and the Niketown building in the Back Bay. In the neighborhoods, there are now 19 Main Street business districts with intensive renewal projects.

### ***Hotel Market***

Boston's hotel market is one of the nation's strongest. In the first eleven months of 1999, Boston's hotel occupancy rate was 79.0% and the average room rate grew to \$190.76, compared to 80.7% and \$177.53 during the same period in 1998. Total room sales grew by about 1.6% in 1999 despite the decline in the occupancy rate because hotel room supply increased. From July 1, 1997 through December 1999, 1,537 rooms were added. As of December 1999, four new hotels were under construction with 573 new rooms, while fifteen other hotel projects with 5,591 new rooms have filed papers with the Boston Redevelopment Authority requesting approval.

### ***Commercial Office Market***

As of March 31, 2000, the vacancy rate as reported by the CB Richard Ellis Office Vacancy Index (the "CB Index") was 6.3%. According to the CB Index, Boston ranked eighth best among the 20 largest downtown office markets tracked. According to Meredith & Grew, Inc., local realtor, office rents as of the end of the third quarter of calendar 2000 have averaged approximately \$48 per square foot, while prime space now ranges between \$50 to \$85 per square foot. In 1999, two office projects were completed, adding 620,000 square feet of space. Three major new office buildings with 1.9 million square feet of space and four major renovations with 1.4 million square feet of space are now under construction and scheduled for completion in 2000-2001. Also, six large office projects are pending which, if completed, would add another 4.1 million square feet of space to the office market after 2000.

### ***Housing Market***

Both the housing sales volume and housing prices have continued to rise. Throughout the City there were 4,224 residential sales in 1998, a gain of 1.7% from 1997. Total home sales were 9.3% higher in 1998, compared to 1997, and were up by 7.2% for the first three quarters of 1999. In addition, the National Association of Realtors reports that the median purchase price for existing homes in greater Boston was \$212,600 in 1998. In the third quarter of 1999, the median price for an existing home in greater Boston had jumped by 15.4% above the price from the third



quarter of 1998. Within Boston, the median price for a single-family home in the third quarter of 1999 was \$188,950, showing a gain of 38% over two years. The median price of a condominium was \$172,750, representing a 13% increase for the same time period.

### ***Future Economic Outlook***

The outlook for the economy continues to be positive. Investment by the private sector was over \$2.11 billion for active construction projects in fiscal 2000. Together with several large public sector projects, which will improve the infrastructure of the City, these investments serve as an indicator that the economy is poised for continued growth. These projects will provide additional federal funding, new jobs and continue the strong economy that currently exists.

The Massachusetts Water Resources Authority ("MWRA"), an independent State authority, is completing construction of one of the largest wastewater treatment facilities in the nation. The project is expected to cost \$3.92 billion. In addition to the treatment facility project, the MWRA is planning to spend \$2.34 billion on other wastewater and water system improvements over the next ten years. Although none of these improvements will be located in Boston, they will nevertheless provide major improvements in the system infrastructure that serves the City.

Another project currently underway is the construction of the Boston Convention and Exhibition Center ("BCEC") to be located on Summer Street in the South Boston Seaport District. The BCEC will be funded by a combination of City revenue sources and those of the Commonwealth of Massachusetts, including new or increased levies on hotel occupancy and rental cars. The BCEC is a \$700.0 million investment for which the City is responsible for \$157.8 million. When completed, the BCEC will improve the City's attractiveness as a site for future conventions and exhibitions, thereby generating jobs, increasing retail sales activity and adding to the already strong hotel occupancy rates.

Other major public sector projects include: the depression of the Central Artery, the construction of a four-lane tunnel under Boston Harbor and other smaller transportation projects. The total cost of these projects is estimated at \$13.51 billion.

These major infrastructure projects increase development investment, resident jobs, wages, and spin-off spending throughout the local economy. In addition, by providing new and improved housing, transportation, convention, and water treatment facilities, large public sector projects lay the groundwork for enlarged capacity, which will provide support for more private sector development in the 21st century.

## **Major Initiatives**

Thomas M. Menino, Mayor of the City of Boston, was re-elected in November 1997 to a second four-year term, which expires in January 2002. Mayor Menino continues his

commitment to promoting initiatives in the areas of public safety, public health and public education, in addition to continuing to focus on economic development within the City of Boston.

### ***Public Safety***

With crime in Boston falling to the lowest level in 30 years, the sense of security in the City's neighborhoods is markedly on the rise. Community policing continues to prevent crime and contribute to residents' well-being. Sixty new police officers were hired in May 1999 to offset expected attrition. There was also an increase in staffing for the state of the art crime lab at Police Headquarters.

One of the cornerstones of the Police Department's success has been the Same Cop Same Neighborhood Program (SC/SN). Under SC/SN, the same beat officers are regularly assigned to the same neighborhood and will spend no less than 60% of their beat in that neighborhood. Keeping Boston a safe City in which to live and work helps position the City to make strides economically.

### ***Public Health***

The Boston Public Health Commission continues to fulfill its mission to preserve, protect, and promote the health of the people of Boston. Cancer Prevention and Control, Childhood Development, and Environmental Health were just a few of the public health priorities for fiscal 2000.

Through its newly formed Office of Cancer Prevention and Control, the Boston Public Health Commission implemented additional cancer awareness campaigns and the Mammography Van is now fully operational. Boston FirstLink was established as a newborn screening and community referral system to identify newborns and families with conditions that contribute to poor childhood health and development. This program strives to link these families with appropriate health care and family support programs. In addition, the Office of Asthma Prevention and Control was created to analyze environmental related disease health indicators.

### ***Public Education***

During fiscal 2000, the Boston Public Schools' implemented a comprehensive literacy and math initiative to provide all students with the tools necessary to meet the more rigorous academic standards established by the Boston School Committee. In addition, bus monitor service focused on the City's youngest student population; arts programs were enhanced; class size was reduced in Grade 2; textbooks for Social Sciences in Grades 9 and 10 were replaced; and there was an increase in Advanced Work Classes.

Boston is the first major urban public school district to have every school connected to the Internet and, as such, has been recognized as a true leader for its school technology initiative. In more than 30 schools, every classroom has been connected to the Internet and the student to computer ratio has been reduced to 6:1.



### *Economic Development*

On January 13, 1999, Boston was designated as an Empowerment Zone ("EZ") community by the U.S. Department of Housing and Urban Development. This makes Boston eligible to share in proposed federal grants and tax-exempt bonding authority to finance sweeping revitalization and job creation programs. The ten-year EZ designation brings with it \$130.0 million in tax-exempt bonding authority for qualified projects and \$100.0 million in grants

Roughly 10% of the City's population resides in the area designated as the EZ. This area's population has an unemployment rate of 16.1%, and 43% of the over 25 adult population has less than a high school diploma. Goals of the EZ include: job creation, business development, home ownership opportunities, affordable housing creation, transit system improvements, computer technology training, and job training and educational efforts.

The Boston Housing Authority ("BHA") is currently undertaking major revitalization initiatives at two of its public housing developments. The BHA received two grants from the Department of Housing and Urban Development, totaling \$80.0 million, to implement a new approach to public housing financing, incorporating innovative partnerships with public and private entities which will leverage additional development funds. These initiatives are designed to revitalize not only the BHA sites, but the surrounding neighborhoods as well.

The City is proud of its contributions to improving the quality of life and education, as well as the strength of Boston's economy. While the City is proud of its accomplishments, it recognizes the need for continual change to meet the needs of Boston's citizens and its economy.

## **Current Projects**

### *Year 2000 (Y2K)*

The City successfully survived the Y2K transition period. The City had identified the following applications to be critical in that their failure to perform would potentially have adverse affects on the City's operations:

- Emergency 911 and dispatching system for Emergency Medical Services, and Fire and Police services
- Traffic control systems
- Property and excise tax collection systems
- Accounting system for both revenue and expenditures
- Employee payroll system
- Retiree payroll system

Major resources in the areas of in-house City personnel, monies for engaged consultants, and computer hardware and software were expended by the City in preparation for the Y2K

transition. The City's organized Task Forces and the validation of each department's Year 2000 effort were fundamental to the smooth transition into the millennium.

### ***Government Effectiveness***

In fiscal 2000, the City implemented and went live with the PeopleSoft, Inc. Financial and Human Resource/Payroll applications. The Boston Administrative Information Systems Project (BAIS) supports these applications, and is planning to rollout the Accounts Receivable and Billing applications to additional City departments in fiscal 2001. The design of the Asset Management application begins in December 2000 and will be implemented in July 2001. In January 2001, the BAIS Support Team will begin to analyze the BAIS HRMS upgrade to PeopleSoft Version 8, with the expectation that the upgrade will take place before the end of the calendar 2001. PeopleSoft Version 8 for BAIS Financials is expected to be available June/July 2001. The BAIS Financial upgrade will take place during fiscal 2002.

During fiscal 2000 the Mayor announced a new program evaluation initiative. This evaluation effort, officially known as "Nothing but the FACTS", is an objective, open, and independent analysis of the performance of a City organization, program, activity or function. The FACTS program will inform management and foster interdepartmental communications by providing accurate information, unbiased analysis, and objective recommendations. The City recognizes, that while a lot can be done within single departments, much more can be accomplished through cross-department integration of effort.

### ***Leadership Development***

Management training continues with the City's Leadership Development Program, which provides City department heads and members of the Mayor's cabinet with opportunities to develop and enhance management skills. In addition, training is provided to other City managers through the Leadership 2000 initiative. Leadership 2000 is a tool to help City managers acquire and develop leadership competencies that support excellent customer services. These include: setting and communicating priorities, encouraging customer service excellence, optimizing resources, managing performance, building collaborative relationships, attaining commitment, and leading by example.

### ***Public Safety***

Traffic safety is the focus of the Neighborhood Policing strategies of the Boston Police Department, the traffic calming initiatives of the Transportation Department and the "Walk this Way" pedestrian safety program coordinated by the Public Health Commission. Community Policing surveys indicate that traffic is both a public safety concern and a quality of life issue for city residents. Enforcement is targeted on roadways and intersections that have been identified as problem locations, with one of the City's goals being the reduction in the number of pedestrians involved in vehicle related accidents.



### *Libraries*

Construction of a new state of the art branch library will be completed this year. The Allston Library is the first new library built in Boston in two decades. The 20,000 square foot library will have courtyard gardens, space for leisure reading, and a research area with computers and reference materials.

The historic McKim library building at the central library has undergone major renovation. Phase IIB renovations have commenced and are expected to be completed this year. The project includes both historic and non-historic renovations that will restore important spaces to their original appearance. Under Phase IIC of the Capital Plan, extensive exterior restorations and further rehabilitation will complete the library's renovation. Other necessary repairs at various branch libraries will be completed with a new critical repairs budget.

### *Open Spaces*

As a result of the Mayor's commitment to making Boston a more livable city, renovations are underway to enhance and expand the parks within the City. Over the next four years, Boston's usable park system will expand by 25 percent to include land over the new Central Artery, the Harbor Islands and numerous neighborhood pocket parks. One of the more recent initiatives is the restoration of the Gardner St. Landfill, which was completed in November, 2000. Located in the West Roxbury section of Boston, this reclamation of land has created a 100-acre park, larger than the Boston Common and the Public Garden combined. Existing wetlands will be preserved, and Bostonians will have recreational access to the Charles River. Across the City, through the Mayor's Open Space Acquisition Program, the City works with civic associations to identify abandoned parcels for conversion to park space.

### *Public Education*

"Focus on Children" is the City's multi-year plan for reform of the Boston Public Schools. Two initiatives critical to the implementation of this education reform plan are the Transition Program and a comprehensive Math Support Plan. The Transition Program began in fiscal 2000 and focuses on literacy and mathematics in Grades 3, 6 and 9. The Math Support Plan is just beginning and will initiate a broader math effort across all grades.

There is also a current focus on the purchase of new instructional materials in history, social studies and work languages; ongoing support for high schools to meet accreditation standards; and a reinvention of the School Department's human resources function to increase capacity to recruit and hire the highest quality teachers in the coming years.



## Future Projects

### *Capital Plan*

The City's 2001-2005 Capital Plan, released on June 14, 2000 proposes new long-term investments over the next 5-7 years, as well as several studies to lay the groundwork for future growth. In all, over \$1.45 billion of City and non-City sources are proposed to be spent on Capital Projects. These expenditures will be used for improvements to schools, public safety, libraries, parks and recreation, roads and bridges, community centers, technology upgrades, public health, as well as environmental initiatives. In view of the proven economic and social benefits of consistent, long-range capital planning, the City remains committed to moving forward with its capital program.

The Police Department's Capital Plan includes authorized funding for the construction of a new neighborhood station in the South End and renovations to the West Roxbury station.

The Boston Public Schools' Capital Plan includes the construction of 3 new schools; masonry repairs at 20 schools; roof replacements at 5 schools; construction and installation of modular classrooms facilities at 2 schools; the design of full electrical and technology wiring upgrades at 29 schools and the construction and renovation of 15 schoolyards and the design of another 8 schoolyards.

These items are highlights of school projects and are accompanied by a wide assortment of maintenance projects for schools including window replacement, roof maintenance, boilers and HVAC systems.

Capital investment has supported the City's commitment to efficient, effective municipal management by building a physical infrastructure that is strong and adaptive. Substantial investment has been made in capital improvements, technological advances, and equipment for maintenance programs to improve safety conditions, decrease operating costs and provide better service delivery.

### *Economic Development Activities*

The Boston Redevelopment Authority has released the Seaport Public Realm Plan, which describes the development of the over 1000-acre South Boston waterfront area. The Boston Convention and Exhibition Center (BCEC) is the keystone of the seaport development and is expected to attract thousands of new visitors and millions of new dollars into Massachusetts each year. It will also serve as a catalyst for the development of new hotels in the area. The South Boston Waterfront will be a destination not just for workers, but also for residents and visitors. Areas have been identified for new cultural facilities, parks, and gateways to Boston Harbor and the Islands.

A variety of studies are planned to enhance economic development activities. These include a construction project underway for the development of a Community Arcade for City Hall Plaza; Boston 2000, exploring land use and development for new areas created by the Central Artery/Third Harbor Tunnel Project; and Boston 400, a comprehensive master planning process to determine infrastructure investment and economic development for this century.

## Service Accomplishments

“Pave the Way 2000”, launched in fiscal year 2000, is an extraordinary two year program of street resurfacing and sidewalk repairs that will enhance every neighborhood of the City. Through this program, the City will invest an additional \$7.5 million per year for fiscal 2000 and 2001 to improve the condition of neighborhood streets. This represents an investment that is above and beyond the annual investment of approximately \$5.7 million for routine street and sidewalk repairs.

The City’s library system plays an important part in each neighborhood. With a focus on improving the service delivery in each neighborhood, the Boston Public Library expanded branch hours at night and on weekends, beginning with the start of the school year. The City is also working to forge stronger partnerships between Schools and Libraries to maximize the return on the investment the City has made in both departments. The technology already in place at both Schools and Libraries will support these future learning connections.

The Mayor’s “Boston 2-6” initiative provides children with new learning opportunities after school. In fiscal 2000, an additional 20 school based sites were kept open, and a \$250,000 grant program was piloted to leverage new resources and fund model after-school programs.

Over the past year, the Empowerment Zone initiative funded 36 human service providers, reaching 650 families and over 1,200 individuals. These providers offer programs that service family child-care; alternative education; skills and job readiness training; and outreach and education to residents to enhance opportunities for economic development. In addition, the initiative financed three projects that will create over 800 job opportunities within the Empowerment Zone area.

The City implemented PeopleSoft, Inc., financial and human resource/payroll applications through the Boston Administrative Information Systems (BAIS) Project. The BAIS Financial (FN) and Human Resource Management Systems (HRMS) replace the City’s financial and human resource/payroll legacy systems.

The BAIS Financial applications went live July 1, 1999, as planned. The Financial applications include General Ledger, Accounts Payable and Purchasing. BAIS HRMS applications include Human Resources, which includes Base Benefits, Payroll and Time and Labor. It was expected that BAIS HRMS would be fully rolled out before December 31, 1999, however, the Boston Public Schools (BPS) Payroll and Time and Labor went live mid-January 2000.



BAIS Financials Accounts Receivable and Billing applications went live in three pilot departments in July 2000. Future rollouts of Accounts Receivable and Billing applications are planned on a staggered basis over a two to three year period.

In November/December 2000, limited "Workflow" functionality was rolled out for purchasing functions.

The implementation of BAIS Financials and BAIS HRMS allowed the City to review its business processes and change the way it conducts its business. Using BAIS HRMS, the City was successful in consolidating all employee payments in one check. This resulted in issuing 109,000 less payroll payments in the first three months of calendar year 2000, as compared to the number of payroll payments made during that same period in calendar year 1999. The savings in transaction costs alone are estimated to be \$.5 million. In September 2000, the City made further strides in eliminating the semi-monthly pay frequency and now supports only two pay frequencies weekly and biweekly.

Using BAIS Financials, the City now enters data on-line for purchase requisitions at the originating department level, thus eliminating paper requisitions altogether. In addition, departments are now able to generate monthly reporting at their desktops, which eliminates timely distribution efforts.

The Office of Budget Management (OBM) implemented the FACTS program. The FACTS program has increased communications among departments, brought experts in various departments together and provided reliable information to change the way the City does business. The Facts program process has harnessed departments' expertise and information to take a critical look at operations.

OBM's evaluation findings and recommendations have resulted in or contributed to performance improvements in a wide variety of government operations and services. Many findings and recommendations, as well as other information, lead to direct financial benefits that impact the bottom line in the City's budgets and expenditures. During fiscal 2000, the Boston Public Library Bindery team streamlined its bindery process; the Facilities Management team created a forum to bring various department experts together to improve management of contracts; and the Recreation Programming team has started a phased process that will change the way the City provides recreational opportunities to its constituents.

## **Accounting System and Budgetary Control**

The accounts of the City are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise each fund's assets, liabilities, fund balance, revenues and expenses. An integrated computerized financial

accounting system is maintained by the Auditing Department to record transactions within these accounts. The Auditing Department also maintains an encumbrance accounting system. This system accounts for the City's purchase orders, service orders and other contractual commitments. The City budgets and maintains its books and records on a statutory basis of accounting prescribed by the Commonwealth of Massachusetts. This basis of accounting differs from generally accepted accounting principles.

The City's management is responsible for establishing and maintaining internal accounting controls designed to provide reasonable, but not absolute, assurance that the assets of the City are safeguarded from loss, theft or misuse. In addition, the internal control structure reasonably assures that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. The City Auditor is responsible for evaluating the adequacy and effectiveness of the control structure, and the Auditing Department conducts a periodic evaluation of the control structure's effectiveness.

As a part of its internal control structure, the City maintains budgetary controls. The objective of these controls is to ensure compliance with the legally mandated budget adopted by the City Council. Activities of the General Fund are included in the annual budget. The budgets within the Special Revenue Fund are established based on specific grant requirements or specific legislation, but are not subject to City Council approval. The Capital budget reflects long-term needs financed primarily through the issuance of bonds. This multi-year plan is subject to approval by the City Council. Specific budgets are established for each capital project prior to its inception.

The function and activity within the individual fund establishes the level of budgetary control. Budgetary control in this context means the level at which expenditures cannot legally exceed the appropriated amount. In the case of the General Fund, this control is at the department level. In the case of the Special Revenue and Capital Projects Funds, the control is at the grant or project levels respectively. All of these budgetary controls reside within the City's financial system and are monitored by the Office of Budget Management and the Auditing Department to ensure compliance.

The Federal Single Audit Act requires the City to have an annual independent audit conducted on the federal financial assistance it has received. This audit is conducted simultaneously with the City's annual financial statement audit.

A significant portion of the Single Audit work is devoted to evaluating the City's internal control structure. The evaluation includes tests of a significant number of individual federal grant transactions that occurred during the fiscal year. The Single Audit work also requires that the auditor determine whether the organization has complied with laws and regulations that may have a material effect on each of its major federal financial assistance programs. All of the City's major federal programs are evaluated for the adequacy of internal controls and compliance with laws and regulations.



The City's Single Audit report for the year ending June 30, 2000 included no instances of material weaknesses in the internal control structure, nor were any significant violations of the applicable laws and regulations reported. The report is publicly issued under a separate cover. In addition to the annual audit of the federal financial assistance programs, the City also identifies specific grants received from the State for compliance and internal control review by the external auditors.

## **General Government Functions**

The City of Boston incorporated as a town in 1630 and as a city in 1822, now exists under Chapter 486 of the Acts of 1909 and Chapter 452 of the Acts of 1948 of the Commonwealth of Massachusetts, which, as amended, constitute the City's Charter. The Mayor is elected to a four-year term and serves as chief executive officer of the City. The Mayor has general supervision of and control over the City's boards, commissions, officers and departments including certain activities of Suffolk County. The legislative body of the City is the City Council, which consists of thirteen elected members serving two-year terms. The Mayor and City Council serve as the County Commissioners of Suffolk County.

Combining and individual fund and account group statements, and schedules for the City of Boston (including certain activities of Suffolk County), and its component units, can be found in the Financial Section of this report. Presented in the following sections are selected financial data reported on a generally accepted accounting principles (GAAP) basis related to the operations of the General Fund, Special Revenue Funds, Capital Projects Funds, Internal Service Fund as well as Trust and Agency Funds administered by the City.

### ***General Fund***

An undesignated fund balance of \$163.3 million was reported at June 30, 2000, as compared to \$126.5 million in 1999. The increase is primarily due to an increase in property tax revenues of over \$76.0 million. The following sections present a summary of General Fund revenues and expenditures along with the amount and percentage changes in relation to the prior year:

#### **Revenues**

Total revenues for fiscal 2000 amounted to \$1.62 billion, an increase of \$94.7 million or 6.2% over 1999. Property tax revenues increased by \$76.7 million, due to an increase in assessed value and new growth. State Distributions from the Commonwealth of Massachusetts increased by 4.1% (\$18.9 million) to \$475.8 million, due most notably from an increase in Chapter 70 revenues and Lottery Aid.



Comparative General Fund Revenues

GAAP Basis  
( \$ Thousands)

	2000	%	1999	%	Increase (Decrease)	%
Revenues:						
Property Taxes	\$ 869,295	53.6%	\$ 792,569	51.9%	\$ 76,726	9.7%
Excise Taxes	68,656	4.2%	68,238	4.5%	418	0.6%
Payments in lieu of Taxes	56,423	3.5%	63,022	4.1%	(6,599)	(10.5)%
Fines	57,709	3.6%	47,693	3.1%	10,016	21.0%
Investment Income	19,255	1.2%	17,884	1.2%	1,371	7.7%
Licenses and Permits	28,892	1.8%	24,010	1.6%	4,882	20.3%
Departmental and Other Revenue	45,490	2.8%	56,415	3.7%	(10,925)	(19.4)%
State Distributions	475,813	29.3%	456,958	29.9%	18,855	4.1%
Total Revenues	\$ 1,621,533	100.0%	\$ 1,526,789	100.0%	\$ 94,744	6.2%

Expenditures

Expenditures for fiscal 2000 increased \$76.7 million (5.3%) compared to 1999. Spending for General Government increased \$10.8 million, due primarily to a \$8.5 million increase in Collective Bargaining Reserves in the current year. Property & Development increased by \$3.4 million (10.8%) primarily due to the expansion of the Capital Construction Division, major HVAC repairs and an increase in volume of assistance grants. Spending for the School Department increased by \$41.0 million to \$578.6 million as a result of ongoing improvements to technology, several new educational initiatives along with an increase in the Collective Bargaining Reserve. Retirement Costs increased \$12.7 million due to an increase in the SBRS contribution.

**Comparative General Fund Expenditures**

GAAP Basis  
( \$ Thousands)

	2000	%	1999	%	Increase (Decrease)	%
Expenditures:						
General Government	\$ 65,132	4.2%	\$ 54,283	3.7%	\$ 10,849	20.0%
Human Services	4,916	0.3%	4,969	0.3%	(53)	(1.1%)
Public Safety	358,855	23.4%	353,118	24.2%	5,737	1.6%
Public Works	69,689	4.5%	70,019	4.8%	(330)	(0.5%)
Property & Development	35,230	2.3%	31,805	2.2%	3,425	10.8%
Parks & Recreation	13,700	0.9%	13,216	0.9%	484	3.7%
Library	27,792	1.8%	27,441	1.9%	351	1.3%
Schools	578,583	37.7%	537,585	36.8%	40,998	7.6%
County Corrections	5,861	0.4%	7,362	0.5%	(1,501)	(20.4%)
Judgments & Claims	6,911	0.4%	7,585	0.5%	(674)	(8.9%)
Other Employee Benefits	86,221	5.6%	84,493	5.8%	1,728	2.0%
Retirement Costs	96,019	6.3%	83,341	5.8%	12,678	15.2%
State & Dist. Assessments	66,995	4.4%	65,569	4.5%	1,426	2.2%
Capital Outlays	5,868	0.4%	7,081	0.5%	(1,213)	(17.1%)
Debt Service	114,486	7.4%	111,683	7.7%	2,803	2.5%
Total Expenditures	\$ 1,536,258	100.0%	\$ 1,459,550	100.0%	\$ 76,708	5.3%

***Special Revenue Funds***

The fund balance for the Special Revenue Funds totaled \$70.2 million in fiscal 2000. Total revenues decreased by \$6.4 million to \$289.6 million due to a reduction in state aid. Total expenditures increased by \$31.3 million to \$299.8 million for the period ending June 30, 2000 due primarily to a one-time payment of \$20.0 million for the retirement of a Section 108 Loan on the World Trade Center Project.

***Capital Project Funds***

Revenues for the Capital Project Funds decreased by \$6.6 million to \$13.8 million for 2000 due mainly in a reduction in State aid. Expenditures increased by \$54.5 million to \$256.0 million for the period due to increased spending related to the BCEC. The fund balance for the Capital Projects Fund decreased by \$94.2 million to (\$22.2) million in 2000. This deficit will be eliminated through a future General Obligation Bond issuance and additional State aid.

### *Debt Service Funds*

In fiscal 2000, the City established a Debt Service Fund to accumulate resources and pay debt service related to the BCEC debt. Total revenues of \$28.4 million were received during the year for the Convention Center Project. Debt Service expenditures totaled \$5.6 million during fiscal 2000. Additionally, \$14.8 million, recorded in the Special Revenue Fund in the prior year, was transferred to the Debt Service fund as of June 30, 2000, bringing the Fund Balance to \$37.6 million.

### *Internal Service Fund*

The Internal Service Fund accounts for the City's Health Insurance Trust Fund. Blue Cross/Blue Shield (BC/BS) acts as a third party agent for the City's employees, retirees and their dependents for payment of expenses incurred under various health indemnification plans utilized by the City. Costs incurred under the BC/BS plans are shared, with 25% paid by employees and retirees and 75% paid by the City. Operating revenues for the Internal Service Fund in 2000 were \$61.5 million and expenses totaled \$61.3 million. The fund deficit at June 30, 2000 was \$5.1 million, as compared to a fund balance deficit of \$5.3 million at June 30, 1999.

### *Trust and Agency Funds*

The Trust and Agency Funds are used to account for trustee and agency relationships that the City maintains with its employees, other governments (federal and state), private corporations and individual donors and benefactors. The City's largest Trust Fund is the State-Boston Retirement System (SBRS). Information about this fund is included in the following section entitled "Fiduciary Operations". The resources of the nonexpendable and expendable trust funds are used primarily to provide additional benefits to the City's residents and the City's employees. Resources from these funds are used for certain infrastructure improvements, purchase of equipment, scholarships for Boston Public School students, and jobs and affordable housing for the neediest residents of the City.

In aggregate, the trust funds had a total equity of \$3.36 billion at June 30, 2000, reflecting an increase of \$476.5 million over 1999. Employee retirement funds account for approximately \$3.23 billion of the total equity amount.



## Debt Administration

Direct debt of the City consists principally of the City's outstanding general obligation bonds. On June 30, 2000, the City had outstanding approximately \$763.9 million of long-term fixed interest rate general obligation bonds. The City Debt Limit is equal to 2 1/2% of the valuation of taxable property in the City as last equalized by the State Department of Revenue; the "Double Debt Limit is 5% of the valuation of taxable property. The City may authorize debt up to the Normal Debt Limit without State approval. The City may also authorize debt up to the Double Debt Limit with the approval of the State Emergency Finance Board ("EFB"). The EFB approved \$100.0 million of debt capacity in fiscal 1998. The approval remains effective until it is rescinded at the City's request. As of June 30, 2000, the City had outstanding debt subject to the debt limit of \$329.6 million, and authorized but unissued debt subject to the debt limit of \$452.7 million. Based on the City's maximum statutory debt incurring capacity for the Normal Debt Limit of \$896.3 million at June 30, 2000, and with the EFB's approval of an additional \$100.0 million in debt capacity beyond the Normal Debt Limit, the City had the capacity to authorize an additional \$177.9 million of debt as June 30, 2000.

The City pays assessments to the Massachusetts Bay Transit Authority ("MBTA") under formulas that include debt services payments (commonly referred to as overlapping debt). At June 30, 2000, the MBTA has \$361.4 million in long-term debt outstanding, of which the City's estimated share was approximately 43% or \$155.6 million.

The City of Boston was upgraded to "Aa3" in 1998 from Moody's Investors Service for its assigned rating on general obligation bonds. Fitch IBCA, Inc. conducted a rating analysis in 1998, for the first time, and assigned the City a rating of "AA-". Both these ratings continue through fiscal year 2000. The City's general obligation bonds received an upgraded rating of "AA-" from Standard & Poors Rating Group, Inc. These ratings are the highest ever received by the City of Boston and reflect confidence in City management to assume a manageable debt burden as well as continued strong financial performance by the City.

## Cash Management

The City's Collector-Treasurer uses pooled cash and investments for all eligible City funds. The goal of this pool is to maximize income while minimizing exposure and ensuring sufficient liquidity to meet the City's payment obligations. All City funds are pooled except for trust funds, certain grant funds, and bond proceeds. The investments of the funds not included in the pool are controlled by various trust agreements, grant regulations, and bond trustee agreements.

The Collector-Treasurer sets the City's investment policies. Portions of Massachusetts General Laws Chapters 29 and 41 govern these policies. The Commonwealth also has a list of approved securities and other investments that the City may use as part of its pool. These approved investments include: (1) securities that have been issued or unconditionally guaranteed by the U.S. government or its agencies with a maturity date of less than one year from the date of



purchase; (2) demand, term, and certificates of deposit; (3) repurchase agreements that have a maturity of less than one year guaranteed with U.S. government or its agencies securities with a maturity of less than 90 days; and (4) bonds issued by other states. Additionally, demand, term, and certificates of deposit must be collateralized when they exceed certain levels. Generally, the City's investment policy centers around receiving a competitive yield for its investible cash and minimizing credit and market risks.

All investment earnings, with certain specific exceptions, are included in the General Fund's investment income account. During fiscal 2000, the average annualized yield calculated by the Treasury Division was 5.7% on the investible cash, as compared to an average yield of 5.1% for fiscal 1999.

## **Risk Management**

The City is self-insured in most areas of risk including general liability, property and casualty (except school buses and machinery losses up to one million), workers' compensation, certain employee health care costs and unemployment compensation. The City's Corporation Counsel defends the City in any lawsuits that arise from the normal course of operations. Except for certain health care costs, judgments and claims are charged to the General Fund.

The City's health insurance program, administered by the Health Insurance and Benefits Division, a program within Human Resources, provides coverage to the City's employees and retirees through a number of Health Maintenance Organizations (HMOs) and Blue Cross and Blue Shield of Massachusetts (BC/BS). BC/BS acts as a third party agent in the payment of the various claim plans used by the City. Costs incurred for the operation of the BC/BS plans are accounted for in an Internal Service Fund. Costs to the City for the HMOs are accounted for in the General Fund.

The City's Risk Management Program works to limit unnecessary asset losses due, for example, to worker illness and injury, third party liability claims, and property losses due to fire, natural events or terrorism. Particular progress has been made in asset and loss quantification and tracking, identification and analysis of key areas for improvement, and specific improvements in reducing the cost of health care and worker injuries.

On July 1, 1998, the City's first property insurance policy went into effect - a three-year, all-risk catastrophic policy covering all City property assets up to \$1.00 billion, unless they are due to earthquake or flood, which are limited to \$400.0 million, after a \$10.0 million retention. This insurance policy limits the City's property loss exposure to \$10.0 million per incident. The premium for this policy is paid from the City's established risk retention reserve.

## **Fiduciary Operations**

The City participates in a contributory retirement system, the State-Boston Retirement System (SBRS). The City is the largest member of SBRS, a cost-sharing multiple employer public employee system operated under Chapter 32 of the Massachusetts General Laws (MGL) as amended by Chapter 306 of the Acts of 1996. The SBRS provides retirement, disability and death benefits to plan members and beneficiaries. Each participating employer's share of the total annual contribution is determined on the basis of active payroll.

The City is committed to funding based upon a schedule approved by the SBRS and the State actuary, which includes paying the current year's estimated present value of benefits earned during the year (normal cost) and an annual contribution toward reducing the unfunded liability to zero by the year 2020. The schedule is subject to update and approval at least every three years by the Public Employee Retirement Administration Commission (PERAC), a State agency established to oversee all 104 local Massachusetts public retirement systems. The annual appropriation, based on the approved funding schedule, is a legal obligation of the City that must be included as part of the tax rate certification by the Commonwealth of Massachusetts.

During 1997, the SBRS board, the City Council and the Mayor approved the local option to provide future cost-of-living adjustments (COLA's). Such COLA's were approved at the rate of 3% on the first \$12,000 of compensation in both fiscal 1999 and 2000.

The City also operates the Boston Retirement System (BRS). BRS is the predecessor to SBRS and is closed to new members and is funded on a pay-as-you-go basis. The operations of BRS are not material to the City as a whole.

## **Other Information**

### ***Independent Audit***

The Commonwealth of Massachusetts, through Chapter 190 of the Acts of 1982, requires that the City undergo an annual audit performed by a firm of independent public accountants. The City has selected the firm of KPMG LLP to perform the June 30, 2000 audit. This audit is conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. The audit provides an independent review to help assure a fair presentation of the City's financial position and results of operations.

The City also undergoes an annual audit of its Federal grant funds as required by the Single Audit Act. KPMG LLP issues separate reports on the City's internal control systems and compliance with applicable laws and regulations that meet the requirements of the Single Audit Act and Office of Management and Budget Circular A-133.

### *Awards*

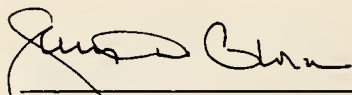
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Boston for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 1999. This was the fifth consecutive year that the City of Boston has received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to meet the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### *Acknowledgements*

We would like to express our appreciation to the staff of the Accounting and Financial Reporting Program and all the members of the Auditing Department staff whose professionalism and dedication made the timely preparation of the CAFR possible. We also wish to thank the professional staff of KPMG LLP for their counsel, technical assistance, and encouragement in the preparation of this CAFR. Several other City departments and agencies provided additional information and assisted in the CAFR preparation. We gratefully acknowledge their efforts and contributions to this report. Finally, we wish to thank you for your continued interest in the financial operations of the City, and for the planning and support necessary to conduct the City's financial operations in a responsible manner.

Respectfully submitted,



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Sally D. Glora  
City Auditor



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Boston,  
Massachusetts

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1999

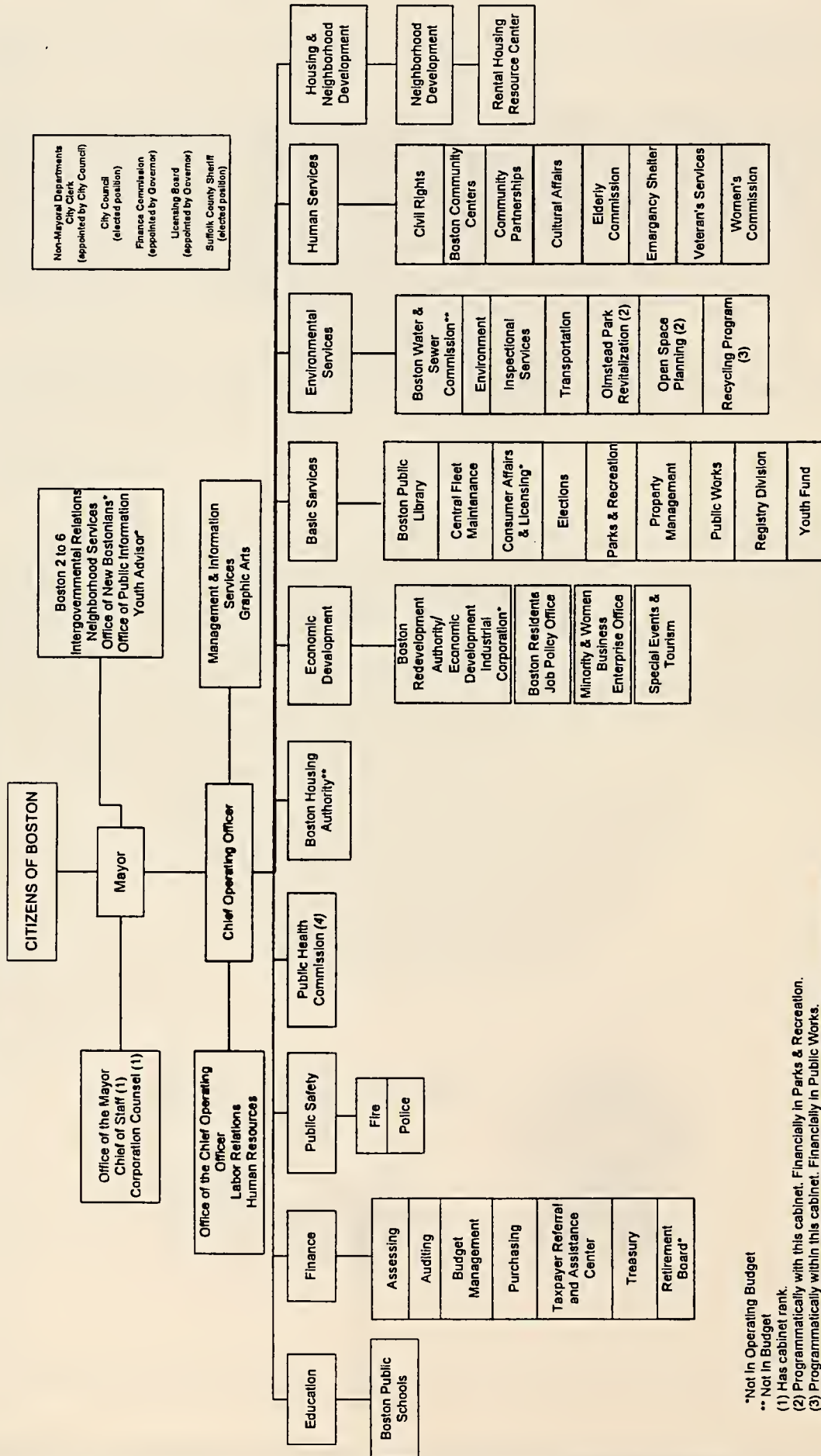
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Anne Spray Kinsey*  
President

*Jeffrey L. Esler*  
Executive Director

# ORGANIZATION OF CITY GOVERNMENT



\*Not In Operating Budget

\*\* Not In Budget

(1) Has cabinet rank.

(2) Programmatically within this cabinet. Financially in Parks & Recreation.

(3) Programmatically within this cabinet. Financially in Public Works.

(4) The Boston Public Health Commission is an independent authority created in June 1996.

## ELECTED and APPOINTED OFFICIALS

### *Mayor*

THOMAS M. MENINO

### *City Council Members*

James M. Kelly (President) .....	District 2
Michael F. Flaherty .....	At-Large
Margaret E. Davis-Mullen .....	At-Large
Stephen P. Murphy .....	At-Large
Francis M. Roache .....	At-Large
Paul J. Scapicchio .....	District 1
Maureen E. Feeney .....	District 3
Charles C. Yancey .....	District 4
Daniel F. Conley .....	District 5
Maura A. Hennigan .....	District 6
Chuck Turner .....	District 7
Michael P. Ross .....	District 8
Brian J. Honan .....	District 9

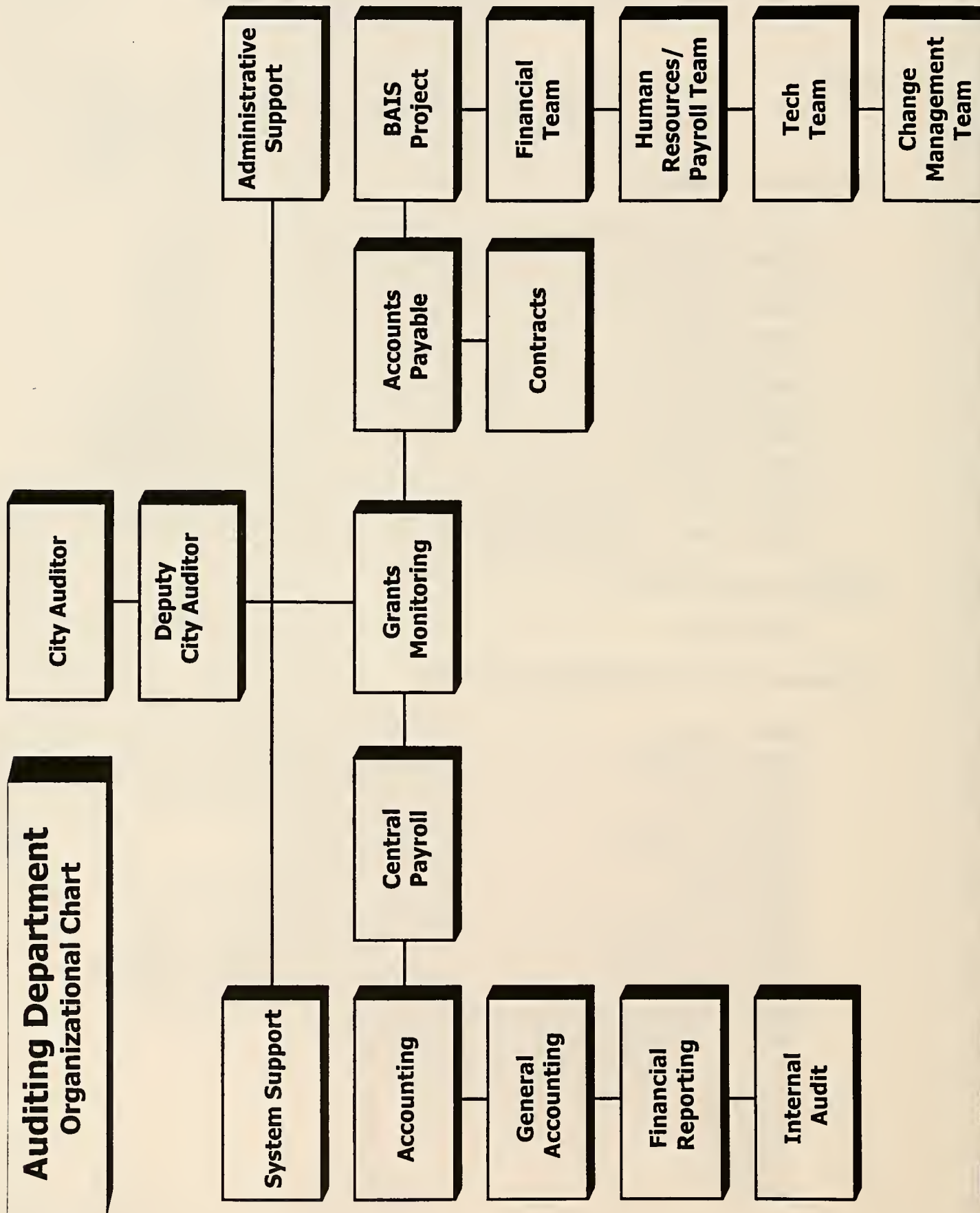
### *Suffolk County Officials*

Richard Rouse .....	Sheriff
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### *Appointed City Executive Branch Members*

James E. Rooney.....	Chief of Staff
Dennis A. DiMarzio .....	Chief Operating Officer
Edward J. Collins, Jr. ....	Chief Financial Officer and Collector-Treasurer
Mark Maloney .....	Chief Economic Development Officer
Thomas W. Payzant .....	Chief of Education
Juanita Brooks-Wade .....	Chief of Human Services
Michael Galvin .....	Chief of Basic Services
Andrea d'Amato .....	Chief of Environmental Services
Sandra B. Henriquez .....	Chief of Public Housing
Charlotte Golar-Richie .....	Secretary of Public Housing
Paul E. Evans .....	Chief of Public Safety (Police Department)
Paul A. Christian .....	Chief of Public Safety (Fire Department)
Merita A. Hopkins .....	Corporate Counsel





## **Auditing Department Personnel**

**Sally D. Glora, City Auditor**  
**Dennis J. Coughlin, Deputy City Auditor**

<b>Martha C. Ayure</b>	<b>Luis Carlos Martinez</b>
<b>Dolores A. Basile</b>	<b>Mary Ann Mason</b>
<b>Allan M. Brodsky</b>	<b>Sheila A. McGonagle</b>
<b>Elvira Carnazzo</b>	<b>Carolyn Michelman</b>
<b>Michelle E. Castillo</b>	<b>Christine M. Opila</b>
<b>Chiu-Lan Cheng</b>	<b>Robert A. Perez</b>
<b>Mary Ann Creedon</b>	<b>Mary L. Raysor</b>
<b>Linda Gillis</b>	<b>Magnolia Rojas</b>
<b>Carlson R. Hinds</b>	<b>Ann Lashelle Smith</b>
<b>Peggy Hinds</b>	<b>Lisa Stone</b>
<b>Allen Hurley</b>	<b>Ming C. Su</b>
<b>Cynthia Johnson</b>	<b>Jewel Swift</b>
<b>Karen M. Kovatsi</b>	<b>Richard Thompson</b>
<b>Lillian B. Laurano</b>	<b>Julie A. Tippet</b>
<b>Teresa A. Lynch</b>	<b>Stanley J. Wallace</b>
<b>Mary C. Maiullo</b>	<b>Paul F. Waple</b>

## **Auditing Department Personnel (BAIS Project)**

<b>Carmen V. Andrade</b>	<b>Sherlock M. Mason</b>
<b>Domenica Cabral</b>	<b>John A. McKenna</b>
<b>Emily C. Crocker</b>	<b>Nelly Montes</b>
<b>Mary A. Foley</b>	<b>Maureen E. Murphy</b>
<b>Melissa Goff</b>	<b>Patricia A. Murphy</b>
<b>Jonathan D. Handy</b>	<b>David P. Nero</b>
<b>Franko Ivers</b>	<b>Kenneth E. Niles</b>
<b>Denise A. Jordan</b>	<b>Gloria Pizzarella</b>
<b>Linda J. Kupstis</b>	<b>Cabot P. Raymond</b>
<b>Jenny F. Larm</b>	<b>Charles H. Rigg</b>
<b>Janine L. London</b>	<b>Marisa A. Sheehan</b>
<b>Mark MacDonnell</b>	<b>Eric A. Thompson</b>
	<b>Kai H. Yuen</b>



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# FINANCIAL SECTION

This section is comprised of the independent auditor's report, general purpose financial statements, the combining and comparative fund statements, and required supplementary information.



*Frog Pond on Boston Common*





99 High Street  
Boston, MA 02110-2371

Telephone 617 988 1000  
Fax 617 988 0800

## Independent Auditors' Report

The Honorable Mayor and City Council  
City of Boston, Massachusetts:

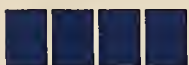
We have audited the general purpose financial statements of the City of Boston, Massachusetts (the "City"), as of and for the year ended June 30, 2000, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of certain entities and accounts that aggregate the following percentages of total assets and revenues/additions:

	<u>Percentage of</u>	
	<u>Total Assets</u>	<u>Total Revenues/ Additions</u>
Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units:		
Trust Funds	100%	N/A
Discretely Presented Component Units	21%	N/A
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types, Expendable Trust Funds and Discretely Presented Component Units:		
Expendable Trust Funds	N/A	100%
Combined Statement of Revenues, Expenses and Changes in Fund Equity - Proprietary Fund Type, Nonexpendable Trust Funds and Discretely Presented Component Units:		
Nonexpendable Trust Funds	N/A	100%
Discretely Presented Component Units	N/A	100%
Combined Statement of Changes in Plan Net Assets - Pension Trust Funds	N/A	100%

N/A = not applicable.

Those statements were audited by other auditors whose reports have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for those entities and accounts, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.





The Honorable Mayor and City Council  
City of Boston, Massachusetts

In our opinion, based on our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Boston, Massachusetts, as of June 30, 2000, and the results of its operations and the cash flows of its discretely presented component units, proprietary and nonexpendable trust funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a separate report dated December 5, 2000 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

We did not audit the introductory and statistical sections as listed in the table of contents and therefore express no opinion thereon.

The schedules of funding progress and employer contributions on page 38 are not a required part of the general purpose financial statements, but are supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. We have applied to the schedules of funding progress and employer contributions certain limited procedures prescribed by professional standards, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the schedules.

KPMG LLP

December 5, 2000

**CITY OF BOSTON, MASSACHUSETTS**

Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units  
June 30, 2000  
(in thousands)

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUPS			Total (Memorandum Only)		Total (Memorandum Only)
	General	Special Revenue	Capital Projects	Debt Service			General Assets	Long-Term Obligations	General	Primary Government	Component Units	
<b>Assets</b>												
Cash and investments (note 4)	\$ 318,677	71,624	60,347	37,630	4,044	3,290,342	—	—	—	3,782,664	126,183	3,908,847
Restricted cash and investments (notes 4 and 8)	16,280	—	—	—	—	—	—	—	—	16,280	20,651	36,931
Receivables (net, where applicable, of allowance for estimated uncollectible amounts):												
Property taxes	80,366	—	—	—	—	—	—	—	—	80,366	—	80,366
Motor vehicle excise	8,674	—	—	—	—	—	—	—	—	8,674	—	8,674
Intergovernmental	50,119	65,671	309	—	—	80,277	—	—	—	196,376	15,623	211,999
Departmental and other	2,033	1,316	315	—	101	132,045	—	—	—	135,810	104,956	240,766
<b>Total receivables</b>	<b>141,192</b>	<b>66,987</b>	<b>624</b>	<b>—</b>	<b>101</b>	<b>212,322</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>421,226</b>	<b>120,579</b>	<b>541,805</b>
Due from other funds (note 7)	86,536	29,527	1,741	—	761	42	—	—	—	118,607	4,408	123,015
Due from primary government (note 7)	—	—	—	—	—	—	—	—	—	—	482	482
Due from component units (note 7)	163,859	—	—	—	—	—	—	—	—	163,859	—	163,859
Due from BMC (note 13)	—	—	—	—	—	—	—	—	—	—	158,115	158,115
Other assets	—	—	—	—	1,193	—	—	—	—	1,193	1,419	2,612
Property, plant and equipment, net of accumulated depreciation (note 6)	—	—	—	—	—	90	847,688	—	—	847,778	51,566	899,344
Amount available as debt service reserve	—	—	—	—	—	—	—	53,910	—	53,910	—	53,910
Amount to be provided for the retirement of general long-term obligations	—	—	—	—	—	—	—	—	1,218,730	1,218,730	172,068	1,390,798
<b>Total assets</b>	<b>\$ 726,544</b>	<b>168,138</b>	<b>62,712</b>	<b>37,630</b>	<b>6,099</b>	<b>3,502,796</b>	<b>847,688</b>	<b>1,272,640</b>	<b>—</b>	<b>6,624,247</b>	<b>655,471</b>	<b>7,279,718</b>

**CITY OF BOSTON, MASSACHUSETTS**

Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units (Continued)  
June 30, 2000  
(in thousands)

	GOVERNMENTAL FUND TYPES					PROPRIETARY FUND TYPE		FIDUCIARY FUND TYPE	ACCOUNT GROUPS (Memorandum Only)			Total (Memorandum Only)	
	General	Special Revenue	Capital Projects	Debt Service	Internal Service	General	Long-Term Obligations		Primary Government	Component Units	Reporting Entity		
<b>Liabilities</b>													
Warrants and accounts payable	\$ 94,984	32,301	7,266	—	—	—	136,267	—	—	—	270,818	82,825	353,643
Accrued liabilities:													
Tax abatement refunds	89,555	—	—	—	—	—	—	—	—	—	89,555	—	89,555
Judgments and claims (note 14)	—	—	—	—	11,202	—	—	—	20,174	31,376	—	—	31,376
Compensated absences	—	—	—	—	—	—	—	—	95,053	95,053	1,259	—	96,312
Landfill closure and postclosure care	—	—	—	—	—	—	—	—	20,193	20,193	—	—	20,193
Other	62,845	33,926	1,788	—	—	—	2,806	—	—	—	101,365	17,367	118,732
Due to other funds (note 7)	11,508	31,714	75,385	—	—	—	—	—	—	—	118,607	4,408	123,015
Due to component units (note 7)	—	—	482	—	—	—	—	—	—	482	—	—	482
Due to primary government (note 7)	—	—	—	—	—	—	—	—	—	—	—	163,859	163,859
Due to BMC	—	—	—	—	—	—	—	—	—	—	—	20,858	20,858
Deferred revenue	246,495	—	—	—	—	—	—	—	—	246,495	—	204,853	451,348
457	—	—	—	—	—	—	—	—	—	—	457	—	457
Matured interest and bonds payable	—	—	—	—	—	—	—	—	—	—	—	—	—
Obligations under capital leases (note 8)	—	—	—	—	—	—	—	—	26,140	26,140	—	—	26,140
Bonds and notes payable (note 8)	—	—	—	—	—	—	366	—	1,111,080	1,111,446	32,334	—	1,143,780
Total liabilities	505,844	97,941	84,921	—	11,202	—	139,439	—	1,272,640	2,111,987	527,763	—	2,639,750
<b>Equity (deficit) and Other Credits</b>													
Investment in general fixed assets	—	—	—	—	—	—	—	847,688	—	847,688	28,191	—	875,879
Retained earnings (deficit)	—	—	—	—	(5,103)	—	—	—	—	(5,103)	21,561	—	16,458
Fund balances:													
Reserved for:													
Trust fund endowments	—	—	—	—	—	—	80,346	—	—	80,346	39,412	—	119,758
Encumbrances and other	41,157	62,980	141,480	—	—	—	—	—	—	245,617	22,295	—	267,912
Debt service	16,280	—	—	37,630	—	—	—	—	—	53,910	—	—	53,910
Employees' pension benefits	—	—	—	—	—	—	3,234,816	—	—	3,234,816	—	—	3,234,816
Unreserved:													
Designated for subsequent year expenditures (note 16)	—	—	—	—	—	—	—	—	—	—	3,601	—	3,601
Undesignated	163,263	7,217	(163,689)	—	—	—	48,195	—	—	54,986	12,648	—	67,634
Total equity (deficit) and other credits	220,700	70,197	(22,209)	37,630	(5,103)	—	3,363,357	847,688	—	4,512,260	127,708	—	4,639,968
Contingencies (note 14)													
Total liabilities, equity and other credits	\$ 726,544	168,138	62,712	37,630	6,099	—	3,502,796	847,688	1,272,640	6,624,247	655,471	—	7,279,718

See accompanying notes to general purpose financial statements.



## CITY OF BOSTON, MASSACHUSETTS

Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All  
 Governmental Fund Types, Expendable Trust Funds and Discretely Presented Component Units  
 Year ended June 30, 2000  
 (in thousands)

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	Total (Memorandum Only)	Total (Memorandum Only)	
	General	Special Revenue	Capital Projects	Debt Service	Expendable Trust	Primary Government	Component Units	Reporting Entity
Revenues:								
Local:								
Real and personal property taxes, net (note 5)	\$ 869,295	—	—	—	—	869,295	—	869,295
Excises	68,656	—	—	—	—	68,656	—	68,656
Payments in lieu of taxes	56,423	—	—	—	—	56,423	—	56,423
Fines	57,709	—	—	—	—	57,709	—	57,709
Investment income	19,255	—	—	—	1,472	20,727	2,166	22,893
Licenses and permits	28,892	—	—	—	—	28,892	—	28,892
Departmental and other revenue	45,490	34,135	3,959	28,369	20,981	132,934	34,143	167,077
Total local revenues	1,145,720	34,135	3,959	28,369	22,453	1,234,636	36,309	1,270,945
Intergovernmental:								
Federal	—	146,367	1,760	—	—	148,127	32,416	180,543
Commonwealth of Massa- chusetts	475,813	109,063	8,060	—	—	592,936	—	592,936
Local	—	—	—	—	—	—	113,008	113,008
Total intergovern- mental revenues	475,813	255,430	9,820	—	—	741,063	145,424	886,487
Total revenues	1,621,533	289,565	13,779	28,369	22,453	1,975,699	181,733	2,157,432
Expenditures:								
Current:								
General government	65,132	7,185	—	—	7,699	80,016	22,064	102,080
Human services	4,916	3,757	—	—	4,215	12,888	—	12,888
Public safety	358,855	23,060	—	—	—	381,915	—	381,915
Public works	69,689	614	—	—	513	70,816	—	70,816
Property and development	35,230	—	—	—	—	35,230	—	35,230
Parks and recreation	13,700	2,147	—	—	3,957	19,804	—	19,804
Library	27,792	1,089	—	—	—	28,881	—	28,881
Schools	578,583	91,058	—	—	32	669,673	—	669,673
County	5,861	83,974	—	—	—	89,835	—	89,835
Public health programs	—	—	—	—	—	—	63,748	63,748
Judgments and claims	6,911	—	—	—	—	6,911	—	6,911
Retirement costs (note 9)	96,019	—	—	—	—	96,019	—	96,019
Other employee benefits	86,221	—	—	—	—	86,221	2,047	88,268
State and district assessments	66,995	—	—	—	—	66,995	—	66,995
Community development	—	60,875	—	—	—	60,875	111,889	172,764
Assistance payments to BMC (note 13)	—	—	—	—	—	—	10,000	10,000
Subsidies to BMC and EMS (note 13)	—	—	—	—	—	—	7,810	7,810
Capital outlays	5,868	3,537	255,991	—	—	265,396	2,918	268,314
Debt service	114,486	22,549	—	5,565	—	142,600	824	143,424
Total expenditures	1,536,258	299,845	255,991	5,565	16,416	2,114,075	221,300	2,335,375
Excess (deficiency) of revenues over expenditures								
	85,275	(10,280)	(242,212)	22,804	6,037	(138,376)	(39,567)	(177,943)

**CITY OF BOSTON, MASSACHUSETTS**

Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All  
Governmental Fund Types, Expendable Trust Funds and Discretely Presented Component Units (Continued)  
Year ended June 30, 2000  
(in thousands)

	<b>GOVERNMENTAL FUND TYPES</b>				<b>FIDUCIARY FUND TYPE</b>	<b>Total (Memorandum Only)</b>	<b>Total (Memorandum Only)</b>	
	<b>General</b>	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Expendable Trust</b>	<b>Primary Government</b>	<b>Component Units</b>	<b>Reporting Entity</b>
Other financing sources (uses):								
Proceeds of debt and capital leases (note 8)	—	1,790	145,330	—	—	147,120	4,475	151,595
Operating transfers in (note 11)	1,636	—	2,683	14,826	5,405	24,550	—	24,550
Operating transfers out (note 11)	(2,683)	(14,826)	—	—	(1,636)	(19,145)	—	(19,145)
Transfers from component units (note 11)	18,026	—	—	—	—	18,026	(18,026)	—
Transfers to component units (note 11)	(58,213)	—	—	—	—	(58,213)	58,213	—
Total other financing sources (uses)	<u>(41,234)</u>	<u>(13,036)</u>	<u>148,013</u>	<u>14,826</u>	<u>3,769</u>	<u>112,338</u>	<u>44,662</u>	<u>157,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>44,041</u>	<u>(23,316)</u>	<u>(94,199)</u>	<u>37,630</u>	<u>9,806</u>	<u>(26,038)</u>	<u>5,095</u>	<u>(20,943)</u>
Fund balance, beginning of year	<u>176,659</u>	<u>93,513</u>	<u>71,990</u>	<u>—</u>	<u>38,389</u>	<u>380,551</u>	<u>12,397</u>	<u>392,948</u>
Fund balance (deficit), end of year	<u>\$ 220,700</u>	<u>70,197</u>	<u>(22,209)</u>	<u>37,630</u>	<u>48,195</u>	<u>354,513</u>	<u>17,492</u>	<u>372,005</u>

See accompanying notes to general purpose financial statements.

# CITY OF BOSTON, MASSACHUSETTS

## Statement of Revenues and Expenditures - Budgetary Basis

### General Fund – Budget and Actual

Year ended June 30, 2000

(with comparative actual amounts for 1999)

(in thousands)

	2000				1999 Actual
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues and other available funds:					
Real and personal property taxes, net	\$ 824,526	824,526	824,980	454	779,656
Excises	96,129	96,129	96,184	55	95,657
Commonwealth of Massachusetts	507,121	512,603	513,681	1,078	494,623
Departmental and other revenue	37,736	40,253	46,096	5,843	54,137
Fines	57,877	57,877	55,942	(1,935)	47,473
Payments in lieu of taxes	29,998	29,998	29,269	(729)	35,970
Investment income	16,500	16,500	21,886	5,386	17,423
Licenses and permits	20,728	20,728	28,652	7,924	20,897
Sale of property	500	500	500	—	500
Other available funds	12,636	12,636	6,667	(5,969)	3,089
Total revenues and other available funds	1,603,751	1,611,750	1,623,857	12,107	1,549,425
Expenditures:					
General government	57,405	66,976	65,495	1,481	64,391
Human services	5,678	5,348	5,103	245	5,092
Public safety	365,454	361,769	363,691	(1,922)	351,854
Public works	69,789	69,169	70,715	(1,546)	68,489
Property and development	34,457	34,985	34,968	17	32,002
Parks and recreation	14,118	14,118	13,944	174	13,366
Library	25,600	28,177	28,160	17	27,416
Schools	575,327	579,203	579,181	22	543,373
Boston Public Health Commission	58,213	58,213	58,213	—	53,502
County	4,183	5,854	5,854	—	7,364
Judgments and claims	4,100	4,100	6,203	(2,103)	8,102
Other employee benefits	88,276	86,052	86,600	(548)	82,681
Pension costs	134,959	134,529	134,529	—	126,554
State and district assessments	67,252	67,252	66,995	257	65,569
Debt requirements	98,940	96,005	96,005	—	91,925
Total expenditures	1,603,751	1,611,750	1,615,656	(3,906)	1,541,680
Excess of revenues and other available funds over expenditures	\$ —	—	8,201	8,201	7,745

See accompanying notes to general purpose financial statements.



**CITY OF BOSTON, MASSACHUSETTS**

Combined Statement of Revenues and Expenses and Changes in Fund Equity -  
Proprietary Fund Type, Nonexpendable Trust Funds and Discretely Presented Component Units  
Year ended June 30, 2000  
(in thousands)

	<b>PROPRIETARY FUND TYPE</b>	<b>FIDUCIARY FUND TYPE</b>	<b>Total (Memorandum Only)</b>	<b>Total (Memorandum Only)</b>	
	<b>Internal Service</b>	<b>Nonexpendable Trust</b>	<b>Primary Government</b>	<b>Component Units</b>	<b>Reporting Entity</b>
Operating revenues:					
Investment income	\$ —	9,918	9,918	4,482	14,400
Net increase in the fair value of investments	—	—	—	189	189
Contributions and donations	60,806	—	60,806	18,137	78,943
Rental income	—	—	—	10,034	10,034
Miscellaneous	719	32	751	1,492	2,243
Total operating revenues	<u>61,525</u>	<u>9,950</u>	<u>71,475</u>	<u>34,334</u>	<u>105,809</u>
Operating expenses:					
Salaries and wages	—	—	—	11,525	11,525
Professional fees	—	—	—	553	553
Administrative and general	373	515	888	7,008	7,896
Materials and supplies	—	—	—	4,611	4,611
Depreciation	—	—	—	896	896
Bad debts	—	—	—	183	183
Health benefits	60,925	—	60,925	—	60,925
Capital outlays	—	—	—	3,522	3,522
Subsidies for community services, special programs and real estate operations	—	—	—	13,938	13,938
Total operating expenses	<u>61,298</u>	<u>515</u>	<u>61,813</u>	<u>42,236</u>	<u>104,049</u>
Operating income (loss)	<u>227</u>	<u>9,435</u>	<u>9,662</u>	<u>(7,902)</u>	<u>1,760</u>
Nonoperating revenues and expenses:					
Grant income	—	—	—	20,557	20,557
Interest income	—	—	—	1,435	1,435
Interest expense	—	—	—	(934)	(934)
Total nonoperating revenue	<u>—</u>	<u>—</u>	<u>—</u>	<u>21,058</u>	<u>21,058</u>
Income before operating transfers	<u>227</u>	<u>9,435</u>	<u>9,662</u>	<u>13,156</u>	<u>22,818</u>
Operating transfers:					
Operating transfers out (note 11)	—	(5,405)	(5,405)	—	(5,405)
Total operating transfers	<u>—</u>	<u>(5,405)</u>	<u>(5,405)</u>	<u>—</u>	<u>(5,405)</u>
Net income	<u>227</u>	<u>4,030</u>	<u>4,257</u>	<u>13,156</u>	<u>17,413</u>
Fund equity (deficit), beginning of year	(5,330)	76,316	70,986	68,088	139,074
Prior period adjustment (note 17)	—	—	—	781	781
Fund equity (deficit), end of year	<u>\$ (5,103)</u>	<u>80,346</u>	<u>75,243</u>	<u>82,025</u>	<u>157,268</u>

See accompanying notes to general purpose financial statements.

# CITY OF BOSTON, MASSACHUSETTS

## Combined Statement of Changes in Plan Net Assets - Pension Trust Funds

Years ended June 30, 2000  
(with comparative amounts for 1999)  
(in thousands)

Additions:	<u>2000</u>	<u>1999</u>
Contributions:		
Employer	\$ 147,599	138,855
Employee	<u>72,654</u>	<u>67,071</u>
Total contributions	<u>220,253</u>	<u>205,926</u>
Investment income:		
Net appreciation in the fair value of investments	400,413	317,221
Interest	<u>57,228</u>	<u>51,627</u>
Total investment income	<u>457,641</u>	<u>368,848</u>
Intergovernmental	<u>24,036</u>	<u>23,199</u>
Total additions	<u>701,930</u>	<u>597,973</u>
Deductions:		
Benefits	218,587	213,272
Refunds of contributions	18,820	21,843
Administrative expenses	<u>1,894</u>	<u>1,857</u>
Total deductions	<u>239,301</u>	<u>236,972</u>
Net increase	<u>462,629</u>	<u>361,001</u>
Net assets held in trust for pension benefits:		
Beginning of year	<u>2,772,187</u>	<u>2,411,186</u>
End of year	<u>\$ 3,234,816</u>	<u>2,772,187</u>

See accompanying notes to general purpose financial statements.

**CITY OF BOSTON, MASSACHUSETTS**

Combined Statement of Cash Flows - Proprietary Fund Type, Nonexpendable Trust Funds  
and Discretely Presented Component Units  
Year ended June 30, 2000  
(in thousands)

	<b>PROPRIETARY FUND TYPE</b>	<b>FIDUCIARY FUND TYPE</b>	<b>Total (Memorandum Only)</b>	<b>Total (Memorandum Only)</b>	
	<b>Internal Service</b>	<b>Nonexpendable Trust</b>	<b>Primary Government</b>	<b>Component Units</b>	<b>Reporting Entity</b>
Cash flows from operating activities:					
Operating income (loss)	\$ 227	9,435	9,662	(7,902)	1,760
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Reclassification of investment income	—	(9,918)	(9,918)	(4,482)	(14,400)
Depreciation and amortization	—	—	—	896	896
Net increase in fair value of investments	—	—	—	(189)	(189)
Provision for bad debts	—	—	—	183	183
Changes in operating assets and liabilities:					
Accounts receivable	(101)	—	(101)	180	79
Intergovernmental receivables	—	—	—	730	730
Other assets	(1,193)	—	(1,193)	(46)	(1,239)
Due (to)/from other funds	(7)	—	(7)	(2,358)	(2,365)
Accounts payable	(698)	—	(698)	(27)	(725)
Other accrued liabilities	1,462	—	1,462	(620)	842
Deferred revenue	—	—	—	(1,946)	(1,946)
Net cash provided (used) by operating activities	<u>(310)</u>	<u>(483)</u>	<u>(793)</u>	<u>(15,581)</u>	<u>(16,374)</u>
Cash flows from noncapital financing activities:					
Advances from grantors	—	—	—	20,557	20,557
Operating transfers	—	(5,405)	(5,405)	—	(5,405)
Net cash provided (used) by noncapital financing activities	<u>—</u>	<u>(5,405)</u>	<u>(5,405)</u>	<u>20,557</u>	<u>15,152</u>
Cash flows from capital and related financing activities:					
Proceeds from issuance of long-term debt	—	—	—	12,420	12,420
Acquisition and construction of capital assets	—	—	—	(499)	(499)
Interest paid on debt	—	—	—	(934)	(934)
Repayment of long-term debt	—	—	—	(755)	(755)
Net cash used by capital and related financing activities	<u>—</u>	<u>—</u>	<u>—</u>	<u>10,232</u>	<u>10,232</u>
Cash flows from investing activities:					
Purchase of investment securities	—	(4,053)	(4,053)	(15,199)	(19,252)
Proceeds from sale of investment securities	—	—	—	8,739	8,739
Investment income	—	9,918	9,918	5,917	15,835
Net cash provided by investing activities	<u>—</u>	<u>5,865</u>	<u>5,865</u>	<u>(543)</u>	<u>5,322</u>
Increase (decrease) in cash and cash equivalents	(310)	(23)	(333)	14,665	14,332
Cash and cash equivalents, beginning of year	4,354	522	4,876	13,149	18,025
Cash and cash equivalents, end of year	4,044	499	4,543	27,814	32,357
Investments, end of year	—	79,757	79,757	45,258	125,015
Total cash and investments, end of year	<u>\$ 4,044</u>	<u>80,256</u>	<u>84,300</u>	<u>73,072</u>	<u>157,372</u>



**CITY OF BOSTON, MASSACHUSETTS**

**Combined Statement of Cash Flows - Proprietary Fund Type, Nonexpendable Trust Funds  
and Discretely Presented Component Units (Continued)  
Year ended June 30, 2000  
(in thousands)**

**Reconciliation of cash and investments to combined balance sheet:**

Nonexpendable Trust Funds from previous page	\$ 80,256
Add:	
Pension Trust Funds	3,163,036
Expendable Trust Funds	<u>47,050</u>
Total Fiduciary Fund Types	\$ <u>3,290,342</u>
Discretely Presented Component Units from previous page	\$ 73,072
Add: Governmental Fund Type Discretely Presented Component Units	<u>53,111</u>
Total Discretely Presented Component Units	\$ <u>126,183</u>

See accompanying notes to general purpose financial statements.

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

June 30, 2000

### (1) The Financial Reporting Entity

The accounting policies followed in preparing the accompanying general purpose financial statements are as follows:

#### (a) *Primary Government*

The City of Boston (the "City"), incorporated as a town in 1630 and as a city in 1822, now exists under Chapter 486 of the Act of 1909 and Chapter 452 of the Acts of 1948 of the Commonwealth of Massachusetts (the "Commonwealth") which, as amended, constitute the City's Charter. The Mayor is elected to a four-year term and serves as chief executive officer of the City. The Mayor has general supervision of and control over the City's boards, commissions, officers and departments including all operations of Suffolk County, except county courts. The legislative body of the City is the City Council, which consists of thirteen elected members serving two-year terms. The Mayor and City Council serve as the County Commissioners of Suffolk County.

The accompanying general purpose financial statements present the City of Boston which includes Suffolk County and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

#### (b) *Blended Component Unit Disclosure*

The following component unit has been presented as a blended component unit (included in the primary government) because the component unit provides services almost exclusively to the primary government.

- **State-Boston Retirement System ("SBRS")** - The SBRS is a defined benefit contributory retirement system created under state statute. It is administered by a Retirement Board comprised of five members: the City Auditor, who serves as *ex-officio*; two individuals elected by participants in the system; a fourth member appointed by the Mayor and a fifth member chosen by the other members. The SBRS provides pension benefits to retired City employees.

A complete set of financial statements for the System for the fiscal year ended December 31, 1999 can be obtained through the City Auditor's office, Room M-4, City Hall Plaza, Boston, Massachusetts 02201.

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#### *(c) Discretely Presented Component Units Disclosure*

These component units are reported in separate columns to emphasize that they are legally separate from the City but are included because the City is financially accountable for and is able to impose its will on the organization. Unless otherwise indicated, the notes to the general purpose financial statements pertain only to the primary government because certain disclosures of the component units are not significant relative to the total component units and to the primary government. A description of the component units, criteria for inclusion and their relationship with the City are as follows:

- **Boston Redevelopment Authority ("BRA")** - The BRA is a public body politic and corporate constituting the City's redevelopment authority and exercising the powers of a planning board for the City. The BRA is governed by a five-member board, four of whom are appointed by the Mayor. Its purpose is to provide planning support for major construction and redevelopment activity in the City.
- **Economic Development and Industrial Corporation of Boston ("EDIC")** - The EDIC is a body politic and corporate and an instrumentality of the Commonwealth. It is governed by the same persons appointed as members of the BRA board. The EDIC has various powers to assist industrial development projects in the City and together with the BRA assists the City with its economic development function.
- **Boston Public Health Commission ("PHC")** - The PHC is a body politic and corporate and public instrumentality of the Commonwealth, established by Chapter 147 of the Acts of 1995. PHC is governed by a seven-member board, six of whom are appointed by the Mayor and confirmed by the City Council, and one of whom is the chief executive officer of the Boston Medical Center ("BMC"). The PHC is responsible for the implementation of public health programs in the City.
- **Trustees of the Public Library of the City of Boston ("TPL")** - The TPL is a nonprofit organization qualified as a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code. Trustees of TPL are appointed by the Mayor. The TPL was established to benefit the public library system of the City.

The financial statements of the discretely presented component units are included for their respective fiscal year-ends, which is June 30, 2000.

Complete financial statements of these discretely presented component units can be obtained through the City Auditor's office, Room M-4, City Hall Plaza, Boston, Massachusetts 02201. In addition, condensed financial statements for the discretely presented component units are included in note 15.

#### *(d) Related Organizations*

The Mayor is also responsible for appointing the members of the governing bodies of the Boston Housing Authority, Boston Industrial Development Finance Authority and Boston Water and Sewer Commission; however, the City's accountability for these organizations does not extend beyond making these appointments.



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### (2) Summary of Significant Accounting Policies

The accounting policies of the City of Boston, Massachusetts, conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies followed by the City:

#### (a) *Basis of Presentation*

The City has elected to present the discretely presented component units using the single-column method. The operations of the discretely presented component units have been reported in the financial statements on a basis which reflects the predominant basis of accounting used by the entity.

The operations of the City and its blended component unit are presented within the following fund types and account groups:

##### *Governmental Fund Types*

Governmental funds are used to account for the City's expendable financial resources and related liabilities (except those accounted for in proprietary and similar trust funds). The measurement focus is based upon the determination of changes in financial position and the flow of current financial resources. The following are the City's governmental fund types:

- **General Fund** - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- **Special Revenue Funds** - Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.
- **Capital Project Funds** - Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and similar trust funds).
- **Debt Service Fund** - The debt service fund is used to account for financial resources to be used for the payment of principal and interest on long-term debt issued to fund site acquisition and preparation costs for the Boston Convention Center.

##### *Proprietary Fund Type*

Proprietary funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is based upon the determination of net income and capital maintenance (i.e., flow of economic resources). The following is the City's proprietary fund type:

- **Internal Service Fund** - This fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

## CITY OF BOSTON, MASSACHUSETTS

### Notes to General Purpose Financial Statements

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#### *Fiduciary Fund Types*

- **Trust and Agency Funds** - Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent. Trust funds include expendable trust funds, nonexpendable trust funds and pension trust funds. Nonexpendable trust funds and pension trust funds are reported in a manner similar to proprietary funds (i.e., flow of economic resources measurement focus and accrual basis of accounting). Expendable trust funds are reported in a manner similar to governmental funds (i.e., flow of financial resources measurement focus and modified accrual basis of accounting). Agency funds are custodial in nature and follow the modified accrual basis of accounting but are not concerned with the measurement of results of operations.

#### *Account Groups*

Account groups are a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the governmental funds because they do not affect net expendable available financial resources. The following are the City's account groups;

- **General Fixed Assets Account Group** - This account group is used to account for all fixed assets of the City, other than those accounted for in proprietary funds and similar trust funds.
- **General Long-Term Obligations Account Group** - This account group is used to account for all long-term obligations of the City, except those accounted for in proprietary and similar trust funds.

#### *(b) Basis of Accounting*

The modified accrual basis of accounting is followed by governmental funds, expendable trust funds, and agency funds.

Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., when they become both measurable and available to pay liabilities of the current period). Revenues not considered available are recorded as deferred revenues.

The City applies the susceptible to accrual criteria to property taxes and intergovernmental revenues. In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, resources must be expended on the specific purpose or project before any amounts will be reimbursed to the City; therefore, revenues are recognized based upon the amount of expenditures incurred. In the other, resources are virtually unrestricted and are usually revocable by the grantor only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. Property taxes are recognized as revenue in the year for which taxes have been levied, provided they are collected within 60 days after year-end.

Investment earnings are recorded as earned. Other revenues are recorded when received in cash because these amounts are generally not measurable until actually received.

Expenditures are recorded when the liability is incurred except for (1) interest on general long-term obligations, which is recorded when due, and (2) the noncurrent portion of accrued tax abatement refunds, judgments and claims, sick and vacation leave, and landfill closure and postclosure care costs which are recorded in the general long-term obligations account group.

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### **Notes to General Purpose Financial Statements**

**June 30, 2000**

The accrual basis of accounting is used by proprietary funds, nonexpendable trust funds and pension trust funds. Revenues are recognized when earned and expenses are recognized when goods or services have been received or a liability has been incurred.

The City and its component units have elected to apply to its proprietary funds, nonexpendable trust funds, and pension trust funds accounting standards applicable to the private sector issued on or before November 30, 1989, unless those standards conflict with or contradict pronouncements of the Governmental Accounting Standards Board.

**(c) *Encumbrances***

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in governmental funds. Open encumbrances at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

Certain unexpended and unencumbered appropriations for incomplete projects are carried over to succeeding years without further appropriations. Such continuing appropriations are accounted for similar to encumbrances. Other unencumbered appropriations lapse at year-end.

**(d) *Cash Equivalents***

For purposes of the combined statement of cash flows, investments with original maturities of three months or less when purchased are considered to be cash equivalents.

**(e) *Basis of Investment Valuation***

Investments are presented in the accompanying general purpose financial statements at fair value. Where applicable, fair values are based on quotations from national securities exchanges, except for certain investments of the State-Boston Retirement System which are described in note 9(b). Further, income from investments is recognized in the same fund as the related investments.

**(f) *Property, Plant and Equipment***

Property, plant and equipment are stated at cost or estimated historical cost, except for infrastructure which is not capitalized. Donated fixed assets are recorded at estimated fair market value at the date donated.

**(g) *Compensated Absences***

Employees are granted sick and vacation leave in varying amounts. Upon retirement, termination or death, certain employees are compensated for unused sick and vacation leave (subject to certain limitations) at their then current rates of pay. The liability related to unused sick and vacation time is recorded in the general long-term obligations account group. The liability for vacation leave is based on the amount earned but not used; for sick leave, it is based on the amount accumulated at the balance sheet date (vesting method). The liability for both amounts is calculated based on the pay or salary rates in effect at the balance sheet date.



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## Notes to General Purpose Financial Statements

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**(h) *Arbitrage Rebate***

Rebatable arbitrage earnings are calculated for the City by third parties and accounted for as a liability and a reduction of investment income in the general fund. At June 30, 2000, an accumulated arbitrage rebate liability of \$1.9 million was recorded in the general fund.

**(i) *Tax Abatement Refunds***

All estimated tax abatement refunds have been recorded as a liability in the general fund.

**(j) *Landfill Closure and Postclosure Care Costs***

State and federal regulations require the City to place a final cover on its Gardner Street landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The City determines its liability related to closure and postclosure care for the Gardner Street site based on landfill capacity used to date. At June 30, 2000, 100% of the Gardner Street landfill site had been used and had not accepted solid waste for several years. The City is in the process of covering this site in accordance with applicable laws and regulations.

The liability for closure and postclosure care is estimated based on current cost, which is the amount that would be paid if all equipment, facilities and services included in the estimate were acquired during the current period. Such costs are recognized as expenditures to the extent that they have been paid or are expected to be paid with expendable available financial resources; the remaining liability is reported in the general long-term obligations account group. Expenditures related to the Gardner Street landfill site closure and postclosure care in fiscal 2000 were \$431 thousand.

**(k) *Use of Estimates***

The preparation of general purpose financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(l) *Reclassifications***

Certain 1999 amounts have been reclassified to conform with the 2000 presentation.

**(m) *Total Columns – Memorandum Only***

Total columns on the accompanying general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Such data are not comparable to a consolidation since interfund and other eliminations have not been made.

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### Notes to General Purpose Financial Statements

June 30, 2000

#### (3) Budgetary Data

The general fund is the only fund for which a budget is legally adopted. The budgets for all departments included in the general fund of the City, except the School Department, are prepared under the direction of the Mayor and City Council. The School Department budget is prepared under the direction of the School Committee.

Original and supplemental appropriations are submitted by the Mayor and approved by the City Council and lapse at year-end unless encumbered. The legal level of control over appropriations is at the department level. Amendments to the original budget must be approved by the City Council, except for a reallocation of appropriations of up to \$3 million which the Mayor may approve. Further, the City Auditor, with the approval of the Mayor, may make transfers from any appropriation to any other appropriation for purposes of eliminating deficits before closing the books for the fiscal year. After the close of the fiscal year, the City Auditor may, with the approval of the Mayor, apply any income, taxes and funds not disposed of and make transfers from any appropriation to any other appropriation for the purpose of closing the accounts for the fiscal year. Supplemental appropriations, other than the aforementioned transfers, were approximately \$8 million for the year.

The City must establish its property tax rate each year so that the resulting property tax levy will comply with the limits required by Proposition 2-1/2 (note 5). The tax levy must equal the sum of (a) the aggregate of all annual appropriations for expenditures; plus (b) the reserve accounts described in the following paragraph; plus (c) provision for the prior fiscal years' deficits, if any; less (d) the aggregate of all non-property tax revenues projected to be received by the City, including available funds, in amounts certified or approved by the Commonwealth for tax rate purposes.

In accordance with the 1986 amendments to the Funding Loan Act of 1982, the City has established two reserve funds. The first is a budget reserve fund which is required to be funded in stages to a final level of 2-1/2% of the prior year's overall departmental appropriations, except the School Department, by the beginning of fiscal 1990. It is available to be applied to extraordinary and unforeseen expenditures. The second is a separate reserve fund of 1% to 2-1/2% of the current year appropriation of the School Department to be applied to overexpenditures in that department.

The City's general fund budget is prepared on a basis other than generally accepted accounting principles ("GAAP"). The "actual" results column in the Statement of Revenues and Expenditures - Budgetary Basis - General Fund, is presented on a "budgetary basis" to provide a meaningful comparison of actual results with the budget. The major differences between the budget and GAAP basis, where applicable, are that:

- (a) Revenues are recorded when cash is received except for real estate and personal property taxes are recorded as revenue when levied (budget), as opposed to when susceptible to accrual (GAAP).
- (b) Encumbrances and continuing appropriations which are recorded as the equivalent of expenditures (budget), as opposed to a reservation of fund balance (GAAP).
- (c) Certain activities and transactions are presented in separate funds (GAAP), rather than as components of the general fund (budget).
- (d) Amounts raised for the prior years' deficits and available funds from prior years' surpluses are recorded as revenue items (budget), but have no effect on GAAP revenues.

In addition, there are certain differences in classifications between revenues, expenditures and transfers.

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**Notes to General Purpose Financial Statements**

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The following reconciliation summarizes the differences between budgetary and GAAP basis accounting principles for the year ended June 30, 2000 (in thousands):

	<u>Revenue</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses), Net</u>	<u>Excess of Revenue and Other Financing Sources</u>
As reported on a budgetary basis	\$ 1,623,857	1,615,656	—	8,201
Adjustments:				
Revenues to modified accrual basis	42,638	—	—	42,638
Expenditures, encumbrances and accruals, net	—	4,115	—	(4,115)
Reclassifications:				
Parking meter revenue and expenditures to a special revenue fund	(5,030)	(5,030)	—	—
Debt service expenditures	455	18,481	18,026	—
State-funded teachers' retirement costs	(38,751)	(38,751)	—	—
Trust fund revenue	(1,636)	—	1,636	—
Capital lease funds to capital projects fund	—	—	(2,683)	(2,683)
Public Health Commission appropriation (note 13)	—	(58,213)	(58,213)	—
As reported on a GAAP basis	<u>\$ 1,621,533</u>	<u>1,536,258</u>	<u>(41,234)</u>	<u>44,041</u>

**(4) Cash and Investments**

State and local statutes place certain limitations on the nature of deposits and investments available to the City. Deposits, including demand deposits, money markets and certificates of deposit in any one financial institution, may not exceed certain levels unless collateralized by the financial institution involved. Investments may be made in unconditionally guaranteed U.S. Government obligations having maturities of a year or less from the date of purchase, or through repurchase agreements with maturities of no greater than 90 days in which the underlying securities consist of such obligations. Other allowable investments include authorized bonds of all states, bankers' acceptances, commercial paper rated within the three highest classifications established by rating agencies, and units in the Massachusetts Municipal Depository Trust ("MMDT"). The Treasurer of the Commonwealth of Massachusetts oversees the financial management of the MMDT, a local investment pool for cities, towns and other state and other local agencies within the Commonwealth. The City's fair value of its investment in the MMDT represents their value of the pool's shares.

The City's pension and certain other trust funds have additional investment powers, most notably the ability to invest in common stocks, corporate bonds and other specified investments.



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**(a) Deposits**

The City categorized deposits according to the level of risk assumed. Category 1 includes deposits which are fully insured or collateralized with securities held by the entity or its agent in the entity's name. Category 2 includes deposits that are collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name. Category 3 includes those deposits that are not collateralized. The City's deposits at June 30, 2000 are as follows (in thousands):

	<b>Category</b>			<b>Total Bank Balance</b>	<b>Carrying Amount</b>
	<b>1</b>	<b>2</b>	<b>3</b>		
Total cash deposits \$	<u>5,788</u>	<u>83,552</u>	<u>55,841</u>	<u>145,181</u>	<u>100,363</u>

**(b) Investments**

The City and SBRS categorize investments according to the level of risk assumed. Category 1 includes investments that are insured or registered or held by the entity or its agent in the entity's name. Category 2 includes uninsured and unregistered investments held by the counterparty's trust department or agent in the entity's name. Category 3 includes uninsured and unregistered investments held by the counterparty, or by its trust department or agent but not in the entity's name. MMDT, other mutual funds, venture capital funds and real estate investments are not categorized. The City's investments are as follows (in thousands):

<b>Primary Government - June 30, 2000</b>	<b>Category</b>			<b>Estimated Fair Value</b>
	<b>1</b>	<b>2</b>	<b>3</b>	
Categorized:				
Repurchase agreements	\$ —	160,633		160,633
U.S. Government obligations	—	7,204	—	7,204
Debt securities	—	18,334	—	18,334
Equity securities	—	<u>13,238</u>	—	<u>13,238</u>
	\$ —	<u>199,409</u>	<u>81,575</u>	199,409
Not categorized:				
MMDT				338,281
Mutual funds				<u>81,575</u>
				\$ <u>619,265</u>
<b>SBRS - December 31, 1999</b>				
Categorized:				
Short-term investments	\$ —	21,408	—	21,408
U.S. Government obligations	—	52,498	—	52,498
U.S. Government agency obligations	—	42,505	—	42,505
Equity securities	—	2,201,892	—	2,201,892
Debt securities	—	<u>511,297</u>	—	<u>511,297</u>
	\$ —	<u>2,829,600</u>	—	2,829,600
Not categorized:				
MMDT				18,848
Real estate				205,380
Venture capital funds				<u>25,488</u>
				\$ <u>3,079,316</u>

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June 30, 2000

The composition of the City's bank deposits and investments fluctuates depending primarily on the timing of real estate tax receipts, proceeds from borrowings, collection of state and federal aid and capital outlays throughout the year.

### (5) Property Taxes

Real and personal property taxes are based on values assessed as of each January 1. By law, all taxable property must be assessed at 100% of fair cash value. Also by law, property taxes must be levied at least 30 days prior to their due date. Once levied, these taxes are recorded as receivables, net of estimated uncollectible balances. Property tax revenues have been recorded using the modified accrual basis of accounting, described in note 2(b).

The City bills and collects its property taxes on a quarterly basis following the January 1 assessment. The due dates for those quarterly tax billings are August 1, November 1, February 1, and May 1. Property taxes that remain unpaid after the respective due dates are subject to penalties and interest charges.

Based on the City's experience, most property taxes are collected during the year in which they are assessed. Liening of properties on which taxes remain unpaid occurs annually. On November 14, all properties with unpaid fiscal 2000 property taxes were lienied. The City ultimately has the right to foreclose on all properties where the taxes remain unpaid.

A statewide property tax limitation known as "Proposition 2-1/2" limits the amount of increase in the property tax levy in any fiscal year. Generally, Proposition 2-1/2 limits the total levy to an amount not greater than 2-1/2% of the total assessed value of all taxable property within the City. Secondly, the tax levy cannot increase by more than 2-1/2% of the prior year's levy plus the taxes on property newly added to the tax rolls. Certain provisions of Proposition 2-1/2 can be overridden by a City-wide referendum.

### (6) Property, Plant and Equipment

The following is a summary of changes in the General Fixed Assets Account Group (in thousands):

	<u>Balance, June 30, 1999</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance, June 30, 2000</u>
Land and buildings	\$ 615,880	7,900	—	623,780
Furniture and fixtures	35,110	1,538	695	35,953
Vehicles and maintenance equipment	91,098	9,178	6,429	93,847
Machinery and equipment	<u>84,136</u>	<u>14,459</u>	<u>4,487</u>	<u>94,108</u>
General fixed assets	\$ <u>826,224</u>	<u>33,075</u>	<u>11,611</u>	<u>847,688</u>

No accumulated depreciation is recorded in the General Fixed Assets Account Group.

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**(7) Interfund Receivable and Payable Balances**

Individual fund and discrete component unit receivable and payable balances at June 30, 2000, are as follows (in thousands):

<u><b>Interfund Balances</b></u>	<u><b>Receivable</b></u>	<u><b>Payable</b></u>
General	\$ 86,536	11,508
Special Revenue:		
Grant Fund	9,377	31,661
Revolving Fund	20,150	53
Capital Projects:		
Bond Fund		73,381
Grant Fund	1,741	2,004
Internal Service	761	—
Trust and Agency:		
BRS	<u>42</u>	<u>—</u>
Balance at June 30, 2000	118,607	118,607
SBRS at December 31, 1999	<u>63,706</u>	<u>—</u>
Balances in accompanying general purpose financial statements	\$ <u>182,313</u>	<u>118,607</u>
 <u><b>Discrete Component Unit Balances</b></u>		
Primary Government:		
General	\$ 163,859	—
Capital Projects	—	482
Discretely Presented Component Units:		
PHC	482	163,421
TPL	<u>—</u>	<u>438</u>
Balances in accompanying general purpose financial statements	\$ <u>164,341</u>	<u>164,341</u>



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**(8) Long-Term Obligations**

***Governmental Fund Obligations***

Following is a summary of the general long-term obligations of the City as of June 30, 2000 (in thousands):

	<u>Interest Rates</u>	<u>Outstanding, Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding, End of Year</u>
<b>Bonds and Notes Payable:</b>					
General Obligation Bonds dated 2/1/00	5.0-5.75%	\$ —	120,000	—	120,000
General Obligation Bonds dated 10/15/98	3.25-5.0%	120,000	—	7,710	112,290
General Obligation Refunding Bonds dated 4/15/98	4.5-5.25%	75,870	—	5,995	69,875
General Obligation Bonds dated 1/15/98	4.5%	82,405	—	7,595	74,810
General Obligation Bonds dated 11/15/96	5.0%	75,600	—	7,200	68,400
General Obligation Bonds dated 10/15/95	5.0-5.25%	60,400	—	6,900	53,500
General Obligation Bonds dated 9/1/94	5.0-6.0%	48,300	—	4,360	43,940
General Obligation Refunding Bonds dated 2/1/94	4.0-5.0%	68,980	—	1,015	67,965
General Obligation Bonds dated 9/1/93	4.0-4.875%	41,555	—	1,905	39,650
General Obligation Refunding Bonds dated 2/1/93	3.0-5.65%	84,835	—	1,455	83,380
General Obligation Bonds dated 2/15/92	4.75-6.5%	11,745	—	2,690	9,055
General Obligation Refunding Bonds dated 5/15/91	5.5-10.0%	25,565	—	4,550	21,015
General Obligation Bonds dated 5/15/91	5.5-6.1%	890	—	890	—
General Obligation Bonds dated 1/1/90	6.25-7.375%	5,750	—	5,750	—
General Obligation Bonds dated 7/7/88	6.4-7.3%	1,695	—	1,695	—
General Obligation Refunding Bonds dated 8/15/86	6.3-7.25%	6,955	—	6,955	—
Bearer Bonds dated 11/1/66 through 5/1/79	0.25-8.0%	475	—	475	—
MWPAT Note Payable	4.25-5.75%	1,525	8,655	—	10,180
Notes payable	5.44-7.18%	<u>45,180</u>	<u>4,950</u>	<u>20,885</u>	<u>29,245</u>
Total general obligation bonds and notes payable		757,725	133,605	88,025	803,305
Bond Anticipation Notes dated 2/1/00		—	27,800	—	27,800
Bond Anticipation Notes dated 5/1/99	4.0%	130,000	—	—	130,000
Revenue Refunding Bonds, Boston City Hospital, Series B, dated 6/1/93	3.60-5.25%	<u>154,285</u>	<u>—</u>	<u>4,310</u>	<u>149,975</u>
Total bonds and notes payable		<u>1,042,010</u>	<u>161,405</u>	<u>92,335</u>	<u>1,111,080</u>
<b>Other long-term obligations:</b>					
Leases		\$ 25,001	12,030	10,891	26,140
Judgments and claims		17,395	33,731	30,952	20,174
Sick and vacation, net		92,724	2,329	—	95,053
Landfill closure and postclosure care costs		<u>20,624</u>	<u>—</u>	<u>431</u>	<u>20,193</u>
Total other long-term obligations		<u>155,744</u>	<u>48,090</u>	<u>42,274</u>	<u>161,560</u>
Total general long-term obligations		\$ <u>1,197,754</u>	<u>209,495</u>	<u>134,609</u>	<u>1,272,640</u>

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

June 30, 2000

The annual debt service requirements of the City's general obligation governmental bonds and notes payable outstanding as of June 30, 2000, are as follows (in thousands):

Year ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 77,120	39,019	116,139
2002	75,569	35,432	111,001
2003	73,127	31,753	104,880
2004	69,590	28,216	97,806
2005	63,585	24,923	88,508
2006-2010	228,494	85,393	313,887
2011-2015	155,750	34,540	190,290
2016-2023	<u>60,070</u>	<u>6,371</u>	<u>66,441</u>
	\$ <u>803,305</u>	<u>285,647</u>	<u>1,088,952</u>

General obligation bonds are backed by the full faith and credit of the City. The Commonwealth has approved school construction assistance, subject to annual appropriation by the state legislature and reports filed with the Commonwealth by the City, to partially provide resources for future principal and interest requirements on general obligation school bonds of the City. In addition, the Boston Water and Sewer Commission ("BWSC") is required by its enabling legislation to reimburse the City for future principal and interest requirements on the general obligation water and sewer bonds. As of June 30, 2000, such resources expected to be provided to the City total \$214 million from the Commonwealth and \$52 thousand in principal and interest from the BWSC.

On February 1, 2000, the City issued \$120,000,000 in general obligation bonds to fund various capital purchases and improvements throughout the City. Interest is due semiannually on each February 1 and August 1, with principal payments due each February 1 until maturity in fiscal 2020.

On February 1, 2000, the City issued \$27,800,000 in bond anticipation notes ("BAN's") to fund site acquisition and preparation costs for the Boston Convention Center. The City paid interest of \$364,875 during fiscal 2000 and will pay interest of \$1,459,500 for the next two years. The principal, along with the \$130,000,000 in BAN's issued during fiscal 1999, matures in fiscal 2002, at which time the City is expected to issue general obligation bonds to refund the BAN's.

On September 16, 1999, the City entered into a permanent loan agreement with the Massachusetts Water Pollution Abatement Trust ("MWPAT") for \$13.4 million. This agreement cancelled the interim loan agreement the City had signed with the MWPAT on January 15, 1999 for \$3.75 million. The loan provides funding for the closure and postclosure care costs relating to the City's Gardner Street Landfill. Proceeds are received on a reimbursement basis as expenditures are incurred. As of June 30, 2000, the City has received approximately \$1.9 million in loan proceeds.

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

June 30, 2000

The annual debt service requirements of the City's Revenue Refunding Bonds, Boston City Hospital, Series B, outstanding as of June 30, 2000, are as follows (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2001	\$ 4,395	8,456	12,851
2002	4,485	8,232	12,717
2003	4,735	7,994	12,729
2004	4,985	7,739	12,724
2005	5,265	7,465	12,730
2006-2010	13,725	34,282	48,007
2011-2015	37,110	28,043	65,153
2016-2020	—	21,642	21,642
2021-2023	<u>75,275</u>	<u>12,985</u>	<u>88,260</u>
	\$ <u>149,975</u>	<u>136,838</u>	<u>286,813</u>

The revenue refunding bonds of the Boston City Hospital (BCH) do not constitute general obligations of the City and the annual debt service of these bonds has been assumed by the Boston Public Health Commission. The Boston Public Health Commission expects to meet its obligation on the bonds through application of a portion of the rent payable to the Boston Public Health Commission by the Boston Medical Center Corporation (BMC) for its lease of the former Boston City Hospital. As a result of the consolidation of the BMC and BCH (note 13), on July 1, 1996, the City received \$16.28 million, representing debt service reserve on these bonds. It was recorded as proceeds of debt in the capital projects fund and subsequently transferred to the general fund for future debt service requirements. Under certain circumstances, including a default by BMC under the lease, City revenues may be required to satisfy the debt service requirements on the Series B bonds (see note 13).

The Boston Public Health Commission (see note 13) has assumed responsibility for paying to the City an amount equal to current debt service on all outstanding general obligation bonds of the City issued for public health and hospital purposes which amounted to \$26.4 million at June 30, 2000.

The City is subject to a dual general debt limit; the normal debt limit and the double debt limit. Such limits are equal to 2-1/2% and 5%, respectively, of the valuation of taxable property in the City as last equalized by the State Department of Revenue. Debt may be authorized up to the normal debt limit without state approval. Authorizations under the double debt limit, however, require the approval of the Commonwealth's Emergency Finance Board. Additionally, there are many categories of general obligation debt which are exempt from the debt limit but are subject to other limitations.

As of June 30, 2000, the City may issue \$874 million of additional general obligation debt under the double debt limit. General obligation debt of \$330 million, subject to the debt limit, and \$453 million, exempt from the debt limit, is authorized but unissued as of June 30, 2000.

The City pays assessments to the Massachusetts Bay Transportation Authority ("MBTA") under formulas that include debt service payments (commonly referred to as overlapping debt). At June 30, 2000, the MBTA had \$361.4 million in long-term debt outstanding, of which the City's estimated share was approximately 43%, or \$155.6 million.



**CITY OF BOSTON, MASSACHUSETTS**  
**Notes to General Purpose Financial Statements**

June 30, 2000

***Fiduciary Fund Obligations***

Following is a summary of the long-term obligations of the Neighborhood Housing trust fund as of June 30, 2000 (in thousands):

	<u>Interest Rates</u>	<u>Outstanding, Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding, End of Year</u>
Notes payable due through 4/24/03	Various	\$ <u>888</u>	—	<u>522</u>	<u>366</u>

The future annual debt principal payments for fiduciary fund long-term debt outstanding at June 30, 2000, are as follows (in thousands):

Year ending June 30:	
2001	\$ 196
2002	170
2003	<u>—</u>
	\$ <u>366</u>

***Defeased Debt***

The following prior year transactions met the requirements of an in-substance defeasance:

- On May 12, 1998, the City issued \$77.9 million in General Obligation Bonds, dated April 15, 1998, of which \$62.9 million was used to advance refund \$58.0 million of 1989, 1990, 1992 and 1994 Series Bonds.
- On August 15, 1995, the City entered into a \$20.8 million Equipment Lease with Option to Purchase agreement to refinance \$20.76 million of equipment leases executed in fiscal years 1995 and 1996.
- On February 9, 1994, the City issued \$85.9 million in General Obligation Bonds, dated February 1, 1994, to advance refund \$74.3 million of 1985, 1986, 1988, 1989, 1990 and 1991 Series Bonds.
- On June 8, 1993, the City issued \$187.7 million in refunding bonds - Boston City Hospital - Series B, dated June 1, 1993 with an average interest rate of 5.5% to advance refund \$169.3 million of other revenue bonds - Boston City Hospital - Series A.
- On February 10, 1993, the City issued \$92.3 million in General Obligation Bonds, dated February 1, 1993, to advance refund \$80.5 million of 1983, 1986, 1988, 1989 and 1992 Series bonds.

The principal amount of debt refunded through in-substance defeasance transactions and still outstanding at June 30, 2000 was \$228.8 million.

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

June 30, 2000

### *Lease Obligations*

The City has entered into various capital lease agreements for equipment acquisition. Payments under these agreements are subject to annual appropriation and, by statute, are not included in the City's debt limit calculations. Activity in capital lease agreements during fiscal year 1999 was as follows (in thousands):

<u>Date of issuance</u>	<u>Outstanding, Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Outstanding, End of Year</u>
August 15, 1995	\$ 987	—	602	385
August 15, 1995	737	—	682	55
December 17, 1997	3,233	—	1,819	1,414
November 10, 1997	4,349	—	2,454	1,895
June 25, 1998	3,381	—	621	2,760
August 25, 1998	8,257	—	2,386	5,871
March 18, 1999	4,057	—	1,146	2,911
October 1, 1999	—	4,780	432	4,348
January 25, 2000	—	7,250	749	6,501
	<u>\$ 25,001</u>	<u>12,030</u>	<u>10,891</u>	<u>26,140</u>

Future minimum payments under capital leases and installment sales as of June 30, 2000, are as follows (in thousands):

2001	\$ 10,365
2002	7,132
2003	4,700
2004	3,364
2005	1,959
Thereafter	<u>1,138</u>
Total minimum lease payments	28,658
Less amount representing interest	<u>(2,518)</u>
	\$ <u>26,140</u>

The City's commitment under operating leases is not significant.

### *No Obligation Debt*

The City has outstanding industrial, commercial and housing development bonds, payable solely from revenues of the respective enterprises that do not constitute an indebtedness of the City and are not a charge against its general credit. This aggregate amount is immaterial to the financial statements.

## CITY OF BOSTON, MASSACHUSETTS

### Notes to General Purpose Financial Statements

June 30, 2000

#### (9) Retirement Plans

##### (a) Plan Description

The City contributes to the State-Boston Retirement System ("System"), a cost-sharing multiple-employer defined benefit pension plan. The System provides retirement, disability and death benefits to plan members and beneficiaries of the following government units:

- (1) City of Boston and Suffolk County
- (2) Boston Redevelopment Authority
- (3) Boston Housing Authority
- (4) Boston Water & Sewer Commission
- (5) Public Health Commission

Chapter 32 of the Massachusetts General Laws ("MGL") assigns authority to establish and amend benefit provisions of the plan to the state legislature.

The System is administered by a five-person Board of Retirement consisting of the City Auditor who serves as a member *ex officio*, two members who are elected by the participants, in or retired from the service of the System, a fourth member appointed by the Mayor and a fifth member chosen by the other members.

The City also participates in the Boston Retirement System ("BRS") and made benefit payments of approximately \$5.7 million for the year ended June 30, 2000. The number of BRS plan participants was frozen in 1946. Disclosures for BRS are not material and, thus, are not presented.

##### (b) Basis of Accounting

The System's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Investments of the System are stated as follows:

- (a) Bonds are stated at quoted market value.
- (b) Equity securities are stated at quoted market value.
- (c) Real estate funds are stated at appraised value or partner's account value, whichever is more readily determinable.
- (d) Venture capital funds are stated at contributed cost or fair market value, whichever is more readily determinable.
- (e) International investments are stated at quoted market value and are included in equities and fixed income categories.
- (f) Cash is stated at carrying amount which is reconciled book balance.



# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

June 30, 2000

### (c) *Membership*

Membership in the System consisted of the following at January 1, 2000, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	13,334
Terminated plan members entitled to but not receiving benefits	3,783
Active plan members	<u>21,665</u>
Total membership	<u>38,782</u>
Total number of participating employers	<u>5</u>

### (d) *Contributions*

Plan members are required to contribute to the System. Depending on their employment date, active members must contribute a range of 5%-9% of their regular gross compensation. Members hired after December 31, 1978 must contribute an additional 2% of regular compensation in excess of \$30,000. Participating employers are required to pay into the System their share of the remaining system-wide actuarially determined contribution, which is apportioned among the employers based on active covered payroll. The Commonwealth of Massachusetts (the "Commonwealth") reimburses the City for benefits paid to school teachers. The Commonwealth also reimbursed the System for a portion of benefit payments for cost of living increases granted before July 1, 1998. The contributions of plan members and the participating employers are governed by Chapter 32 of the MGL. The City's required and actual contributions to the System for the years ended June 30, 2000, 1999 and 1998 were \$129 million, \$119 million and \$105 million or, \$90 million, \$82 million and \$70 million, net of teachers' retirement, respectively.

During the fall of 1997 the System's Retirement Board, the City Council and the Mayor approved the option for local funding of cost of living adjustments. As a result, a locally funded cost of living adjustment of 3.0% on the first \$12,000 of a retiree's annual payment was awarded in fiscal 1999 and fiscal 2000. These cost of living adjustments will be awarded by the Retirement Board each year, except in years in which the Retirement Board determines that such an adjustment would substantially impair the funding schedule.

### (e) *Legally Required Reserve Accounts*

The balances in the System's legally required reserves (on the statutory basis of accounting) at December 31, 1999 are as follows (in thousands):

<u>Description</u>	<u>Amount</u>	<u>Purpose</u>
Annuity Savings Fund	\$ 885,034	Active members' contribution balance
Annuity Reserve Fund	231,464	Retired members' contribution account
Military Service Credit	58	Members' contribution account while on military leave
Pension Reserve Fund	1,319,068	Amounts appropriated to fund future retirement benefits
Pension Fund	<u>798,982</u>	Remaining net assets
	<u>\$ 3,234,606</u>	

All reserve accounts are funded at levels required by State statute.

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

June 30, 2000

**(f) Investment Concentration**

There were no investments (other than those issued or guaranteed by the U.S. Government) in any one organization that represent 5% or more of plan net assets.

**(10) Other Post-employment Benefit Disclosures**

In addition to the pension benefits described in note 9, the City provides post-retirement health care and life insurance benefits, in accordance with state statute and City ordinance, to eligible retirees. Approximately 12,600 retirees meet the eligibility requirements as put forth in Chapter 32B of Massachusetts General Laws. The City pays 75% of Blue Cross/Blue Shield of Massachusetts ("BC/BS") premiums and 90% of HMO premiums for medical and hospitalization incurred by retirees and their dependents. The City also pays 75% of BC/BS Medicare premiums for each Medicare eligible retiree. The City provides for 50% of the premiums for \$5,000 of life insurance for each eligible retiree.

Expenditures of approximately \$38 million for health care and life insurance benefits for retirees are accounted for on a pay-as-you-go basis in fiscal 2000.

**(11) Operating Transfers**

Operating transfers and their purposes during the year were as follows (in thousands):

	<b>Transfers In (Out)</b>						<b>Discretely Presented Component Unit</b>
	<b>General</b>	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Trust Funds</b>		<b>Unit</b>
					<b>Expendable</b>	<b>Nonexp</b>	<b>PHC</b>
Primary government:							
Capital lease funds	\$ (2,683)	—	2,683	—	—	—	—
Trust funds	1,636	—	—	—	3,769	(5,405)	—
Revenue for debt service	—	(14,826)	—	14,826	—	—	—
	<u>(1,047)</u>	<u>(14,826)</u>	<u>2,683</u>	<u>14,826</u>	<u>3,769</u>	<u>(5,405)</u>	<u>—</u>
Discretely presented component unit:							
Debt reimbursement	18,026	—	—	—	—	—	(18,026)
Operating subsidy	(58,213)	—	—	—	—	—	58,213
	<u>(40,187)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>40,187</u>
	<u>\$ (41,234)</u>	<u>(14,826)</u>	<u>2,683</u>	<u>14,826</u>	<u>3,769</u>	<u>(5,405)</u>	<u>40,187</u>

**CITY OF BOSTON, MASSACHUSETTS**

**Notes to General Purpose Financial Statements**

**June 30, 2000**

**(12) Fund Deficits and Excess of Expenditures**

The following funds had deficit equity balances at June 30, 2000 (in thousands):

Capital projects:	
Bond Fund	\$ 50,543
Grant Fund	8,021
Convention Center	<u>1,325</u>
	\$ <u>59,889</u>
Internal Service:	
Health insurance	\$ <u>5,103</u>

These fund deficits will be eliminated primarily through future bond issuances and the future receipt of Federal, State and local aid.

The City had expenditures in excess of their budgeted amounts for the year ended June 30, 2000 in the following categories (in thousands):

Employee benefits:	
Workers' compensation	\$ 669
Public Safety:	
Fire	2,813
Public Works:	
Snow removal	1,626
Judgments and claims	2,102
State and district assessments:	
MBTA Assessments	47
School choice	<u>162</u>
	\$ <u>7,419</u>

The excess expenditures reported above are allowed under the budgetary laws governing the City.



## CITY OF BOSTON, MASSACHUSETTS

### Notes to General Purpose Financial Statements

June 30, 2000

#### (13) Public Health System

Effective July 1, 1996, the City's Department of Health and Hospitals and Trustees of Health and Hospitals, a component unit, were abolished. Substantially all their assets and liabilities, including title to the City's two hospitals, Boston City Hospital ("BCH") and Boston Specialty and Rehabilitation Hospital ("BSRH"), were transferred to and assumed by the Boston Public Health Commission

Also effective July 1, 1996, the operations of BCH and BSRH were consolidated with the operations of the Boston University Medical Center under the licensure and control of the Boston Medical Center Corporation ("BMC").

The PHC receives the majority of its funding from federal and state grants, lease agreements with BMC and a City appropriation. During fiscal 2000, the City appropriated \$57.5 million to the PHC. As described below, the PHC uses the appropriation to pay debt service on certain general obligation bonds, base assistance grant payments to BMC and a portion of the consolidation costs to BMC. The remainder of the appropriation is used for administrative purposes and to support the various public health programs run by the PHC. The City has budgeted \$61.3 million for the PHC for fiscal 2001.

##### *Due from PHC/BMC*

On July 1, 1996, the PHC assumed a liability of \$149.8 million for a mortgage note (the "Note") held by a trustee and insured by the Federal Housing Authority ("FHA"), the balance of which is \$136.9 million at June 30, 2000. Payments made by the PHC on this Note are used, together with other funds held in trust, by the trustee to pay off the outstanding balance of \$150 million of the City's revenue refunding bonds dated June 1, 1993 (see note 8). The PHC receives funding for these Note payments from the BMC under a lease agreement whereby the BMC leases portions of the former BCH for an initial period of 50 years. Rental payments received under this lease are equal to the debt service costs on the Note and on all City general obligation bonds allocable to BCH. These general obligation bonds were issued by the City between December 1967 and October 1995 and total \$26.4 million at June 30, 2000. These bonds pertain to the property and operations of the BCH Campus, South Block Campus, BSRH Campus, Emergency Medical Services Operations and the Long Island Campus.

In addition, the PHC and BMC are also responsible for reimbursing the City for health insurance, equipment lease payments, workers' compensation and other miscellaneous expenses paid for by the City.

##### *Payments to BMC*

Under the terms of the consolidation agreement, the PHC is obligated to pay BMC \$1.0 million per year for five (5) years, beginning on July 1, 1996, to subsidize the costs of consolidation. If after 5 years, total consolidation costs total less than \$10.0 million, the PHC is entitled to a rebate in an amount that will bring the PHC's share of these costs to 50%.

In addition, the PHC is obligated to make base assistance grant payments to BMC totaling \$31.0 million for fiscal years 1997 through 2000. For years after 2000, PHC will pay \$12.0 million each year until the FHA Note has been paid off (scheduled in 2020). The total base assistance grant payments for fiscal 2000 were \$10 million.

## **CITY OF BOSTON, MASSACHUSETTS**

### **Notes to General Purpose Financial Statements**

June 30, 2000

During each of the four (4) fiscal years immediately following the consolidation, the City is required to provide a capital contribution to the BMC to defray a portion of the cost of capital improvements and capital needs relating to the activities conducted at, and the use of, the BCH campus leased by the BMC. The aggregate annual capital contribution shall not exceed \$8.0 million in fiscal 1997, \$7.0 million in fiscal 1998, \$6.0 million in fiscal 1999 and \$4.0 million in fiscal 2000. If payments in any fiscal year are less than the amount specified, the amount of the shortfall will be added to the aggregate contribution during the subsequent year. Because the City did not pay any capital contribution costs in fiscal 1997, the aggregate total for that year was added to the fiscal 1998 contribution. Fiscal 1998 and fiscal 1999 contributions made by the City totaled \$8.1 million and \$11.2 million, respectively.

During fiscal year 1997, the City deposited \$8.0 million of unexpended general obligation debt proceeds into an escrow account which were used during fiscal years 1997 and 1998 to complete capital projects on the property leased by BMC.

In addition, during fiscal 1997, the City made \$20.0 million in contributions to a capital fund in support of the Boston HealthNet health center members. The BMC is expected to provide \$2.0 million in each of the six (6) years following the consolidation in additional support to the Boston HealthNet health center members.

#### **(14) Risk Management**

The City is self insured for general liability, property and casualty (except for boiler and machinery losses up to \$2 million), worker injury, unemployment and certain employee health claims. The City's Corporation Counsel defends the City in any lawsuits that arise from the normal course of operations, with exposure limited by a state tort cap under Chapter 258 of the Massachusetts General Laws. Except for certain health care costs described below, judgments and claims are charged to the general fund.

The City's health insurance program, administered by the Health Insurance and Benefits Division, a program within Human Resources, provides coverage to the City's employees and retirees through a number of Health Maintenance Organizations ("HMO") and Blue Cross/Blue Shield of Massachusetts to the City for the HMOs, of which 10% is paid by employees, are accounted for in the general fund and are capped at a defined premium payment per employee.

BC/BS acts as a third party agent for the City in the payment of the various claim plans used by the City. Costs incurred for the operation of the BC/BS plans, of which 25% is paid by employees, are accounted for in a separate health insurance internal service fund. These costs are contained on an individual case basis by a commercial insurance policy capping costs at \$175 thousand per case.

The City has implemented a comprehensive risk financing strategy that includes establishing a catastrophic risk reserve, currently with a \$4.7 million balance available for future losses. The City has also improved systems for maximizing the receipt of federal disaster funds. On July 1, 1998, the City's first property insurance policy went into effect – a three-year, all-risk catastrophic policy covering all City property assets up to \$1 billion, after a \$10 million retention. Any boiler and machinery-related property loss is additionally insured, after a \$10,000 deductible, for up to \$2 million.

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

June 30, 2000

The City has established a liability based on historical trends of previous years and attorney's estimates of pending matters and lawsuits in which the City is involved. Changes in the self insurance liability for the fiscal years ended June 30, 2000 and 1999 are as follows (in thousands):

	2000		1999	
	Internal Service Fund	General Long-Term Obligations Account Group	Internal Service Fund	General Long-Term Obligations Account Group
Judgments and claims, beginning of year	\$ 9,740	17,395	10,017	16,405
Incurred claims	62,387	33,730	58,884	30,589
Payments of claims attributable to events of both the current and prior fiscal years:				
Health and life	(60,925)	—	(59,161)	—
Workers' compensation	—	(23,142)	—	(21,588)
Unemployment compensation	—	(1,607)	—	(426)
Court judgments	—	(6,202)	—	(7,585)
	<u>(60,925)</u>	<u>(30,951)</u>	<u>(59,161)</u>	<u>(29,599)</u>
Judgments and claims, end of year	\$ <u>11,202</u>	<u>20,174</u>	<u>9,740</u>	<u>17,395</u>

The liabilities above have not been discounted to their present value. Incurred claims represent the total of a provision for events of the current fiscal year and any change in the provision for events of the prior fiscal years.

There are numerous pending matters and lawsuits in which the City is involved. The City attorneys estimate that the potential claims against the City not recorded in the accompanying general purpose financial statements resulting from such litigation would not materially affect the general purpose financial statements.



# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

June 30, 2000

### (15) Discretely Presented Component Units

The following presents condensed financial statements for each of the discretely presented component units:

#### Condensed Balance Sheet

June 30, 2000  
(in thousands)

	<u>PHC</u>	<u>BRA</u>	<u>TPL</u>	<u>EDIC</u>	<u>Total</u>
<b>Assets:</b>					
Current assets	\$ 47,698	115,229	62,621	48,174	273,722
Due from BMC	158,115	—	—	—	158,115
Property, plant and equipment	26,203	1,066	922	23,375	51,566
Amounts to be provided for long-term debt	<u>169,334</u>	<u>2,734</u>	<u>—</u>	<u>—</u>	<u>172,068</u>
Total assets	\$ <u>401,350</u>	<u>119,029</u>	<u>63,543</u>	<u>71,549</u>	<u>655,471</u>
<b>Liabilities:</b>					
Current liabilities	\$ 6,998	71,554	1,719	6,962	87,233
Accrued liabilities	12,273	3,933	—	2,420	18,626
Due to BMC	20,858	—	—	—	20,858
Due to primary government	163,421	—	438	—	163,859
Deferred revenue	162,300	32,806	—	9,747	204,853
Bonds and notes payable	<u>—</u>	<u>1,475</u>	<u>—</u>	<u>30,859</u>	<u>32,334</u>
Total liabilities	<u>365,850</u>	<u>109,768</u>	<u>2,157</u>	<u>49,988</u>	<u>527,763</u>
<b>Equity:</b>					
Investment in general fixed assets	26,203	1,066	922	—	28,191
Retained earnings	—	—	—	21,561	21,561
Fund balances	<u>9,297</u>	<u>8,195</u>	<u>60,464</u>	<u>—</u>	<u>77,956</u>
Total equity	<u>35,500</u>	<u>9,261</u>	<u>61,386</u>	<u>21,561</u>	<u>127,708</u>
Total liabilities and equity	\$ <u>401,350</u>	<u>119,029</u>	<u>63,543</u>	<u>71,549</u>	<u>655,471</u>

**CITY OF BOSTON, MASSACHUSETTS**  
**Notes to General Purpose Financial Statements**

June 30, 2000

**Condensed Statement of Revenues, Expenditures and Changes in Fund Balance**

Year ended June 30, 2000  
(in thousands)

	<u><b>PHC</b></u>	<u><b>BRA</b></u>	<u><b>Total</b></u>
Revenues	\$ 56,593	125,140	181,733
Expenditures:			
Operating and other	95,814	122,568	218,382
Capital outlay	<u>2,635</u>	<u>283</u>	<u>2,918</u>
Excess of revenues over (under) expenditures	(41,856)	2,289	(39,567)
Proceeds from debt and capital leases	4,475	—	4,475
Transfers to primary government	(18,026)	—	(18,026)
Transfers from primary government	<u>58,213</u>	<u>—</u>	<u>58,213</u>
Net changes in fund balance	2,806	2,289	5,095
Fund balance, beginning of year	<u>6,491</u>	<u>5,906</u>	<u>12,397</u>
Fund balance, end of year	\$ <u><u>9,297</u></u>	<u><u>8,195</u></u>	<u><u>17,492</u></u>

**Condensed Statement of Revenues, Expenses and Changes in Fund Equity**

Year ended June 30, 2000  
(in thousands)

	<u><b>TPL</b></u>	<u><b>EDIC</b></u>	<u><b>Total</b></u>
Operating revenues	\$ 23,508	10,826	34,334
Operating expenses:			
Depreciation	—	896	896
Other	<u>15,995</u>	<u>25,345</u>	<u>41,340</u>
Operating income (loss)	7,513	(15,415)	(7,902)
Other nonoperating revenues	<u>1,960</u>	<u>19,098</u>	<u>21,058</u>
Net income	9,473	3,683	13,156
Fund equity, beginning of year	50,210	17,878	68,088
Prior period adjustment (note 17)	<u>781</u>	<u>—</u>	<u>781</u>
Fund equity, end of year	\$ <u><u>60,464</u></u>	<u><u>21,561</u></u>	<u><u>82,025</u></u>

**CITY OF BOSTON, MASSACHUSETTS**

**Notes to General Purpose Financial Statements**

June 30, 2000

**(16) Designations of Fund Equity**

Fund balance designations have been established for the PHC and BRA to indicate tentative plans for financial resource utilization in a future period, such as for general contingencies or for equipment replacement.

Designations at June 30, 2000 include (in thousands):

Infrastructure	\$ 300
Property repairs	900
Program contingencies	1,701
Affordable housing	<u>700</u>
	\$ <u>3,601</u>

**(17) Prior Period Adjustment**

For the year ended June 30, 1999, the Trustees of the Public Library (TPL) recorded a liability for \$781 thousand pertaining to the McKim Library Restoration Project. It was subsequently determined that the amount was recorded in error and, accordingly, a prior period adjustment has been made to fund equity as of June 30, 1999.



**CITY OF BOSTON, MASSACHUSETTS**  
**State-Boston Retirement System**

Required Supplementary Information  
(Unaudited)  
(Dollar amounts in thousands)

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
01/01/00	\$ 3,235,000	\$ 4,101,000	\$ 866,000	78.9%	\$ 943,000	91.8%
01/01/99	2,772,000	3,793,000	1,021,000	73.1%	803,000	127.1%
01/01/98	2,411,000	3,614,000 <sup>(1)</sup>	1,203,000	66.7%	768,000	156.6%
01/01/97	2,062,000	3,173,000	1,111,000	65.0%	735,000	151.2%
01/01/96	1,834,000	2,940,000	1,106,000	62.4%	777,000	142.3%
01/01/95	1,509,000	2,901,000	1,392,000	52.0%	713,000	195.2%

<sup>(1)</sup> Future cost of living increases assumed by the City.

**Schedule of Contributions from Employers and the Commonwealth of Massachusetts**

<b>Year Ended December 31</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
1999	\$ 166,733	100%
1998	158,679	100
1997	151,645	100
1996	150,561	100
1995	141,032	100
1994	125,890	100

**Notes to Schedules**

Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2000
Actuarial cost method	Individual entry age normal
Amortization method	Approximate level percent of payroll-open
Remaining amortization period	20 years (for original unfunded)
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	8%
Projected salary increases	5.5%
Inflation rate	4-5%
Cost-of-living adjustments	3.0% on first \$12,000 of retirement income.



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## GENERAL FUND

The general fund is the operating fund of the City. It is used to account for all revenues, expenditures and other financial resources except those required to be accounted for in other funds.

## Exhibit A-1

**GENERAL FUND**  
 Comparative Balance Sheets  
 June 30, 2000 and 1999  
 (in thousands)

ASSETS	<u>2000</u>	<u>1999</u>
Cash and investments.....	\$ 318,677	\$ 311,064
Restricted cash and investments.....	16,280	16,280
Receivables (net, where applicable, of allowance for estimated uncollectible amounts):		
Property taxes.....	80,366	94,099
Motor vehicle excise.....	8,674	6,844
Intergovernmental.....	50,119	39,000
Departmental and other.....	2,033	8,991
Total receivables.....	<u>141,192</u>	<u>148,934</u>
Due from other funds.....	86,536	66,931
Due from component units.....	163,859	171,642
Due from Boston Medical Center.....	-	-
Total assets.....	<u>\$ 726,544</u>	<u>\$ 714,851</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Warrants and accounts payable.....	\$ 94,984	\$ 84,037
Accrued liabilities:		
Tax abatement refunds.....	89,555	98,000
Other.....	62,845	81,575
Due to other funds.....	11,508	9,987
Due to component units.....	-	-
Deferred revenue.....	246,495	264,135
Matured interest and bonds payable.....	457	458
Total liabilities.....	<u>505,844</u>	<u>538,192</u>
Fund balance:		
Reserved for:		
Debt service.....	16,280	16,280
Encumbrances and other.....	41,157	33,880
Unreserved:		
Undesignated.....	163,263	126,499
Total fund balance.....	<u>220,700</u>	<u>176,659</u>
Total liabilities and fund balance.....	<u>\$ 726,544</u>	<u>\$ 714,851</u>

## Exhibit A-2

## GENERAL FUND

Comparative Statement of Revenues, Expenditures and Changes in Fund Balance  
 Years Ended June 30, 2000 and 1999  
 (in thousands)

	<u>2000</u>	<u>1999</u>
<b>REVENUES:</b>		
Local:		
Real and personal property taxes, net.....	\$ 869,295	\$ 792,569
Excises.....	68,656	68,238
Payments in lieu of taxes.....	56,423	63,022
Fines.....	57,709	47,693
Investment income.....	19,255	17,884
Licenses and permits.....	28,892	24,010
Departmental and other revenue.....	45,490	56,415
Total local revenues.....	<u>1,145,720</u>	<u>1,069,831</u>
Intergovernmental:		
Commonwealth of Massachusetts.....	475,813	456,958
Total intergovernmental revenues.....	<u>475,813</u>	<u>456,958</u>
Total revenues.....	<u>1,621,533</u>	<u>1,526,789</u>
<b>EXPENDITURES:</b>		
Current:		
General government.....	65,132	54,283
Human services.....	4,916	4,969
Public safety.....	358,855	353,118
Public works.....	69,689	70,019
Property and development.....	35,230	31,805
Parks and recreation.....	13,700	13,216
Library.....	27,792	27,441
Schools.....	578,583	537,585
County.....	5,861	7,362
Judgments and claims.....	6,911	7,585
Other employee benefits.....	86,221	84,493
Retirement costs.....	96,019	83,341
State and district assessments.....	66,995	65,569
Capital outlays.....	5,868	7,081
Debt service.....	114,486	111,683
Total expenditures.....	<u>1,536,258</u>	<u>1,459,550</u>
Excess of revenues over expenditures.....	<u>85,275</u>	<u>67,239</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating transfers in .....	1,636	2,391
Operating transfers out.....	(2,683)	-
Transfers to component unit.....	(58,213)	(54,340)
Transfers from component unit.....	18,026	18,525
Total other financing uses.....	<u>(41,234)</u>	<u>(33,424)</u>
Excess of revenues and other financing sources over expenditures and other financing uses.....	<u>44,041</u>	<u>33,815</u>
Fund balance, beginning of year.....	<u>176,659</u>	<u>142,844</u>
Fund balance, end of year.....	<u>\$ 220,700</u>	<u>\$ 176,659</u>



## Exhibit A-3

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 2000

(in thousands)

(with comparative actual amounts for 1999)

Classification	2000			Variance Favorable (Unfavorable)	1999 Actual
	Original Budget	Final Budget	Actual		
PROPERTY TAXES					
Real and Personal Property Taxes.....	\$ 824,526	\$ 824,526	\$ 824,980	\$ 454	\$ 779,656
Revenue class total	824,526	824,526	824,980	454	779,656
MOTOR VEHICLE EXCISE					
Motor Vehicle Excise - Current .....	31,000	31,000	35,493	4,493	26,769
Motor Vehicle Excise - Prior Years.....	-	-	1,443	1,443	2,658
Boat Excise - Current .....	20	20	26	6	-
Revenue class total	31,020	31,020	36,962	5,942	29,427
OTHER EXCISE TAXES					
Hotel / Motel Room Excise.....	23,900	23,900	23,900	-	22,800
Aircraft Fuel Excise.....	14,300	14,300	7,608	(6,692)	15,531
Condominium Con. Excise.....	275	275	437	162	257
County Deeds Excise Fund.....	-	-	11	11	554
Urban Redevelopment Ch.121A.....	26,634	26,634	27,266	632	27,088
Revenue class total	65,109	65,109	59,222	(5,887)	66,230
COMMONWEALTH OF MASSACHUSETTS					
State Owned Lands.....	307	307	-	(307)	247
R.E. Abatements - Elderly.....	211	211	-	(211)	211
R.E. Abatements - Other.....	264	264	-	(264)	264
(continued)					

(continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 2000

(in thousands)

(with comparative actual amounts for 1999)

Classification	2000				Variance Favorable (Unfavorable)	1999 Actual
	Original Budget	Final Budget	Actual			
R.R.E. Abatements - Blind.....	26	26	-	(26)	26	
Elderly Exemptions 1977 Chapter 967 .....	650	650	578	(72)	650	
State Lottery Local Aid.....	55,964	61,446	63,066	1,620	55,611	
Highways - Local Aid.....	837	837	837	-	836	
Veterans Services - Local Aid.....	743	743	576	(167)	835	
Pensions - Retired Teachers.....	39,000	39,000	38,751	(249)	37,283	
Local Aid - Add'tl Assistance Chapter 36.....	206,638	206,638	206,638	-	206,638	
Racing Taxes.....	427	427	441	14	449	
School Construction - State.....	17,074	17,074	17,088	14	13,330	
Charter School Reimbursement.....	4,846	4,846	5,242	396	2,193	
Charter Schools Tuition.....	-	-	(17,323)	(17,323)	-	
School Aid Chapter 70.....	169,200	169,200	186,152	16,952	164,808	
Transportation of Pupils.....	9,756	9,756	10,487	731	10,093	
Tuition For State Wards.....	1,178	1,178	1,148	(30)	1,149	
Revenue class total	507,121	512,603	513,681	1,078	494,623	
DEPARTMENTAL & OTHER REVENUE						
Penalties & Interest - Property Taxes.....	1,400	1,400	1,622	222	1,297	
Penalties & Interest - Motor Vehicle.....	2,800	2,800	2,779	(21)	2,812	
Penalties & Interest - Tax Title.....	5,800	5,800	6,216	416	6,909	
Penalties & Interest - Boat Excise.....	-	-	-	-	-	
Unapportioned Sidewalk Assessments.....	5	5	8	3	94	
(continued)						

(continued)

## Exhibit A-3 (continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 2000

(in thousands)

(with comparative actual amounts for 1999)

Classification	2000				1999 Actual
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Streets Paid in Advance.....	1	1	-	(1)	-
Unapportioned Street Assessments.....	5	5	17	12	4
Purchasing Services.....	12	12	5	(7)	12
Registry Division Fees.....	940	940	980	40	929
City Record Sale of Publications.....	30	30	13	(17)	27
Assessing Fees.....	30	30	31	1	31
Liens.....	850	850	710	(140)	926
Sale of Equipment.....	55	55	40	(15)	56
City Clerk Fees.....	525	525	577	52	526
Election Fees.....	50	50	87	37	30
Muni Medicaid Reimbursement.....	5,500	5,500	10,942	5,442	15,574
City Council Sale of Publications.....	2	2	1	(1)	2
Environment Dept. Fees.....	60	60	82	22	59
Police Services.....	500	500	498	(2)	541
Police Fitness & Wellness Fees.....	1	1	-	(1)	1
Fire Services.....	2,750	2,750	2,613	(137)	2,892
Fire Department-Misc.....	10	10	9	(1)	-
Civil Defense.....	-	-	-	-	(1)
Parking Facilities.....	825	825	1,678	853	838
Street, Sidewalk and Curb Repairs.....	3,000	3,000	2,860	(140)	3,162
Demolition of Abandoned Structures.....	25	25	277	252	(352)
Building - Rents.....	349	349	342	(7)	375
Real Property - Other.....	105	105	100	(5)	125

(continued)



## Exhibit A-3 (continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 2000

(in thousands)

(with comparative actual amounts for 1999)

<u>Classification</u>	<u>2000</u>			<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>	<u>1999</u> <u>Actual</u>
	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>		
Other Revenues - Public Facilities.....	115	115	178	63	106
Property Management Fees.....	-	-	2	2	-
Concessions - Parks.....	1	1	6	5	-
Veterans Services.....	-	-	2	2	-
Fiber Optics Access Fees.....	1,600	1,600	1,721	121	493
Public Works-Recycling.....	-	-	68	68	-
Public Works - Other Charges.....	3	3	3	-	4
Transportation Dept. - Recycled Autos.....	15	15	-	(15)	5
Tuition and Transportation - Schools.....	525	525	447	(78)	758
Miscellaneous Receipts - Schools.....	10	10	2	(8)	10
Library Fees.....	175	175	176	1	220
Library of Last Recourse.....	-	2,517	2,517	-	2,700
Registry of Deeds.....	355	355	356	1	2,791
Cobra/selfpay.....	-	-	592	592	-
Telephone Commissions - Real Property.....	80	80	55	(25)	89
City Workers' Comp. Reimbursement.....	1,100	1,100	1,255	155	589
Miscellaneous Law.....	5	5	1	(4)	5
Affirmative Recovery Unit.....	700	700	379	(321)	820
Special Prosecutors Office.....	30	30	14	(16)	28
Fringe Reimbursements.....	15	15	-	(15)	18
Pensions and Annuities.....	1,900	1,900	633	(1,267)	2,286
Indirect Costs Reimbursement.....	875	875	185	(690)	936
Private Detail - Payroll.....	-	-	558	558	(1,319)

(continued)

## Exhibit A-3 (continued)

## GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)  
Year Ended June 30, 2000(in thousands)  
(with comparative actual amounts for 1999)

Classification	2000				Variance Favorable (Unfavorable)	1999 Actual
	Original Budget	Final Budget	Actual			
Fire Department Special Detail.....	-	-	159	159	1	1
Property Management - Detail.....	-	-	(182)	(182)	1	1
Parks and Recreation Special Detail.....	-	-	1	1	-	-
Suffolk County Detail.....	-	-	1	1	-	-
Contributions and Donations.....	-	-	-	-	500	500
Prior Year Reimbursements.....	2,100	2,100	1,538	(562)	2,710	2,710
Other General Services.....	3	3	3	-	4	4
Recovered Misc. Revenues.....	-	-	-	-	837	837
Tellers Adjustment Account.....	-	-	-	-	21	21
Miscellaneous Refunds.....	10	10	(130)	(140)	26	26
Miscellaneous Collections.....	12	12	113	101	16	16
Child Support Reimbursement.....	30	30	35	5	42	42
Mayor's Office.....	-	-	2	2	-	-
Miscellaneous - Treasury.....	50	50	448	398	183	183
Paid Detail - Administrative Fees.....	1,950	1,950	2,192	242	1,917	1,917
Property Mgmt - Administrative Fees.....	7	7	6	(1)	6	6
Fire - Administrative Fees.....	315	315	269	(46)	315	315
Parks and Recreation 10% Admin Fee.....	2	2	1	(1)	2	2
Health Insurance Admin Fee.....	120	120	-	(120)	145	145
Suffolk County 10% Admin Fee.....	3	3	3	-	3	3
Revenue class total	37,736	40,253	46,096	5,843	54,137	54,137

(continued)

## Exhibit A-3 (continued)

## GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)  
 Year Ended June 30, 2000  
 (in thousands)  
 (with comparative actual amounts for 1999)

<u>Classification</u>	2000				1999 Actual
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	
<b>FINES</b>					
Parking Fines.....	55,500	55,500	18,498	(37,002)	16,751
Mail Collection of Parking fines.....	-	-	35,053	35,053	28,362
Municipal Criminal Court.....	30	30	26	(4)	26
Municipal Civil Court.....	2,100	2,100	2,007	(93)	2,097
East Boston District Court.....	30	30	23	(7)	33
Brighton District Court.....	30	30	25	(5)	33
Charlestown District Court.....	2	2	1	(1)	1
Dorchester District Court.....	15	15	15	-	16
Roxbury District Court.....	10	10	9	(1)	11
South Boston District Court.....	15	15	20	5	17
West Roxbury District Court.....	10	10	8	(2)	8
ISD - Fines.....	3	3	2	(1)	3
ISD-Board of Appeals.....	2	2	(2)	(4)	3
House of Correction.....	-	-	-	-	(6)
Code Enforcement.....	130	130	257	127	118
Revenue class total	<u>57,877</u>	<u>57,877</u>	<u>55,942</u>	<u>(1,935)</u>	<u>47,473</u>
<b>PAYMENTS IN LIEU OF TAXES</b>					
Boston College.....	196	196	196	-	191
New England Deaconess Hospital.....	84	84	-	(84)	-
New England Medical Center Hospital.....	590	590	607	17	583
					(continued)



## Exhibit A-3 (continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 2000

(in thousands)

(with comparative actual amounts for 1999)

Classification	2000			Variance Favorable (Unfavorable)	1999 Actual
	Original Budget	Final Budget	Actual		
Boston Symphony Orchestra.....	30	30	30	-	58
Blue Cross / Blue Shield.....	-	-	-	-	388
Old City Hall.....	600	600	659	59	572
Boston University.....	1,800	1,800	227	(1,573)	2,571
Mass Port Authority.....	10,482	10,482	10,501	19	10,379
Sale of Property - Special Taxes.....	115	115	84	(31)	109
Berkeley School.....	165	165	174	9	174
Trimount Foundation.....	15	15	15	-	14
Harvard Community Health Plan.....	192	192	102	(90)	196
Mass General Hospital.....	1,655	1,655	1,820	165	1,435
Harvard University.....	1,308	1,308	1,465	157	1,301
Suffolk University.....	160	160	163	3	158
Simmons College.....	15	15	15	-	15
Northeastern University.....	140	140	140	-	124
North End Nursing Home.....	56	56	56	-	84
New England School of Law.....	13	13	13	-	13
Brigham and Women's Hospital.....	621	621	621	-	621
E.D.I.C. - In Lieu.....	157	157	157	-	645
Tufts University.....	17	17	17	-	17
Section 2C.....	100	100	28	(72)	5,241
University Hospital.....	70	70	-	(70)	-
Museum of Fine Arts.....	47	47	41	(6)	41
Children's Hospital.....	259	259	283	24	253

(continued)

## Exhibit A-3 (continued)

## GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)  
 Year Ended June 30, 2000  
 (in thousands)  
 (with comparative actual amounts for 1999)

Classification	2000			Variance Favorable (Unfavorable)	1999 Actual
	Original Budget	Final Budget	Actual		
Showa.....	84	84	84	-	119
Wentworth Institute.....	4	4	2	(2)	2
Emerson College.....	21	21	21	-	20
Spaulding Rehabilitation Hospital.....	48	48	39	(9)	56
MASCO.....	100	100	100	-	33
Beth Israel Hospital.....	125	125	209	84	125
Massachusetts Mental Health Program.....	39	39	26	(13)	12
E.O.C.D.....	21	21	12	(9)	11
Bay Cove Human Services.....	23	23	21	(2)	-
Domicilia.....	3	3	3	-	3
Noble School House.....	21	21	12	(9)	3
David Ramsey V.F.W.....	-	-	-	-	1
Wang.....	25	25	-	(25)	53
Dana Farber Cancer Institute.....	64	64	68	4	46
Mass College of Pharmacy.....	93	93	93	-	91
Boston Housing Authority.....	529	529	595	66	538
Prudential Insurance Co.....	126	126	294	168	118
Jamaica Tower and Townhouse.....	64	64	7	(57)	45
Buse Boston.....	-	-	16	16	-
Back Bay Manor Apartments.....	-	-	30	30	79
St. Joseph Community Inc.....	2	2	2	-	1
Camfield Gardens LTD.....	13	13	(13)	(26)	13
Jewish Comm. Housing Elderly Inc.....	83	83	85	2	81
Roxse Homes, Inc.....	15	15	(15)	(30)	15

(continued)

## Exhibit A-3 (continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 2000

(in thousands)

(with comparative actual amounts for 1999)

Classification	2000			Variance	1999 Actual
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)	
One Beacon Street.....	2,026	2,026	1,982	(44)	1,959
Jewish Comm. Housing Elderly II.....	91	91	93	2	88
Newcastle Associates.....	28	28	33	5	26
Summer Street Realty Corp.....	179	179	285	106	161
Rockingham Glen Associates.....	-	-	21	21	21
Chauncy House Company.....	8	8	6	(2)	7
Tenants Development Corp.....	123	123	-	(123)	120
Concord House Associates.....	-	-	-	-	-
Metro Health Foundation.....	9	9	4	(5)	-
Vivindas Associates.....	98	98	203	105	95
Mercantile Wharf Associates.....	48	48	47	(1)	46
Quincy Tower Associates.....	80	80	-	(80)	157
Franklin Park Associates.....	70	70	63	(7)	67
Gardner Apartments Associates.....	-	-	-	-	-
Jamaica Plain Associates.....	2	2	1	(1)	1
Citizens Bank.....	-	-	-	-	-
Allied Stores Gen. Re. Corp.....	878	878	-	(878)	857
Conway Court Associates.....	4	4	4	-	5
Jewish Comm. Housing Elderly III.....	54	54	48	(6)	52
Anderson Street Associates.....	-	-	-	-	-
Mission Park Corp.....	12	12	3	(9)	12
Woodbury Cunard Associates.....	1	1	-	(1)	-
Medical Area Total Energy.....	1,897	1,897	2,361	464	1,842
					(continued)

(continued)



## Exhibit A-3 (continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 2000

(in thousands)

(with comparative actual amounts for 1999)

<u>Classification</u>	2000				Variance Favorable (Unfavorable)	1998 Actual
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>			
Madison Park III Associates.....	120	120	117	(3)	117	
Victory Gardens Associates.....	-	-	1	1	-	
Reservoir Towers Associates.....	242	242	248	6	236	
Bowdoin School Associates.....	6	6	8	2	6	
Borinquen Associates.....	9	9	9	-	8	
Ausonia Homes Associates.....	3	3	166	163	104	
Smith House Associates.....	-	-	-	-	-	
Haynes House Associates.....	3	3	7	4	3	
Madison Park IV Associates.....	123	123	121	(2)	120	
Cottage Brook Associates.....	53	53	58	5	51	
Intervale - Magnolia Associates.....	44	44	38	(6)	43	
Woodledge Associates.....	65	65	54	(11)	64	
Woodbourne Community Housing Corp.....	1	1	-	(1)	1	
School House '77 Associates.....	52	52	34	(18)	50	
Peterborough House Associates.....	207	207	203	(4)	203	
Dorchester Green LP.....	9	9	6	(3)	9	
Mason Place Company.....	11	11	9	(2)	11	
Keystone Apartments Co.....	199	199	209	10	194	
Stearns Company.....	3	3	1	(2)	3	
Blake Estates Associates.....	170	170	175	5	166	
Immobiliare New England.....	-	-	31	31	-	
Servicenter, Inc.....	12	12	1	(11)	10	
Taurus At Fountain Hill.....	75	75	70	(5)	74	

(continued)

## Exhibit A-3 (continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 2000

(in thousands)

(with comparative actual amounts for 1999)

<u>Classification</u>	2000			Variance Favorable (Unfavorable)	1999 Actual
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		
Marcus Garvey Associates.....	-	-	82	82	-
St. Botolph Terrace.....	16	16	14	(2)	14
Fieldstone Associates.....	-	-	5	5	-
Hemenway Apt. Co.....	73	73	71	(2)	70
Blake Estates Associates II.....	84	84	81	(3)	82
Back Hill Comm. Devel. Associates.....	62	62	63	1	60
Boston Rehab Associates.....	1	1	16	15	1
Lafayette Place Mall.....	32	32	-	(32)	-
Savin Hill Apartments Co.....	133	133	130	(3)	130
Wait Street Associates.....	95	95	92	(3)	93
Adams and Templeton Associates.....	67	67	61	(6)	65
B'nai B'rith Senior Citizens Housing.....	192	192	129	(63)	187
Brighton Allston Elderly Home.....	39	39	38	(1)	38
Bradford Towers Associates.....	158	158	151	(7)	154
1000 Washington Street Inc.....	-	-	-	-	-
Sarah Baker Manor Associates.....	33	33	31	(2)	31
Frankie O'Day Corp.....	-	-	2	2	-
On Luck Housing Devel. Inc.....	13	13	12	(1)	-
Governor Apt. Associates.....	90	90	91	1	88
Atrium on Comm. Ave.....	-	-	-	-	-
Dorchester Housing Associates.....	85	85	84	(1)	82
Charles H Farnsworth Housing Corp.....	77	77	50	(27)	75
ETC Development Corp.....	128	128	-	(128)	125

(continued)

## Exhibit A-3 (continued)

## GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)  
 Year Ended June 30, 2000  
 (in thousands)  
 (with comparative actual amounts for 1999)

Classification	2000				1999 Actual
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
RHC and Associates.....	54	54	53	(1)	53
Mt. Pleasant Associates.....	110	110	113	3	218
Angela Westover Housing Corp.....	14	14	10	(4)	14
Oxford Place Associates.....	45	45	41	(4)	43
East Canton Street Associates.....	49	49	26	(23)	48
Rogerson Beacon Associates.....	71	71	71	-	69
Academy Homes Urban Edge LP.....	1	1	-	(1)	-
Commonwealth Flats Hotel LP.....	5	5	-	(5)	-
Misc Chapter 121A Section 6A.....	-	-	1,100	1,100	-
Dimock-Bragdon Associates.....	35	35	34	(1)	34
Council of Elders.....	76	76	-	(76)	76
City Square Elderly Housing.....	27	27	51	24	26
Boston Garden Corporation.....	302	302	557	255	-
Marriott Custom House Tower.....	254	254	185	(69)	251
Egleston Center.....	-	-	-	-	-
Commonwealth Flats Develop. East LP.....	172	172	-	(172)	164
Madison Trinity LP.....	-	-	-	-	7
Grey Hound Associates.....	-	-	-	-	5
Revenue class total	29,998	29,998	29,269	(729)	35,970
INVESTMENT INCOME					
Interest on Investments.....	16,500	16,500	21,886	5,386	17,423
Revenue class total	16,500	16,500	21,886	5,386	17,423
(continued)					

(continued)



## Exhibit A-3 (continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 2000

(in thousands)

(with comparative actual amounts for 1999)

Classification	2000				Variance Favorable (Unfavorable)	1999 Actual
	Original Budget	Final Budget	Actual			
LICENSES AND PERMITS						
Building Structures and Permits.....	11,500	11,500	18,528	7,028	11,404	
Weights and Measures.....	-	-	150	150	138	
Street and Curb Permits.....	1,200	1,200	1,500	300	1,356	
Pre-rental Inspections.....	70	70	75	5	70	
Misc Charges-Inspectional Services.....	13	13	26	13	12	
Public Safety-Inspectional Services.....	25	25	60	35	22	
Health Inspections.....	1,050	1,050	1,088	38	1,050	
Alcoholic Beverages and Licenses.....	2,280	2,280	2,296	16	2,266	
Entertainment Licenses.....	450	450	468	18	453	
Police and Protective Permits.....	475	475	455	(20)	506	
Professional & Occupational Licenses.....	90	90	63	(27)	89	
Police Firearm Permits.....	50	50	72	22	6	
Other Business Licenses and Permits.....	925	925	943	18	936	
Cable Television.....	2,500	2,500	2,846	346	2,554	
Burial Permits.....	100	100	82	(18)	35	
Revenue class total	20,728	20,728	28,652	7,924	20,897	
SALE OF PROPERTY						
Sale of City Property.....	500	500	500	-	500	
Revenue class total	500	500	500	-	500	(continued)

(continued)

## Exhibit A-3 (continued)

## GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)  
 Year Ended June 30, 2000  
 (in thousands)  
 (with comparative actual amounts for 1999)

<u>Classification</u>	2000			Variance Favorable (Unfavorable)	1999 Actual
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		
TRANSFERS AND OTHER AVAILABLE FUNDS					
Surplus Property Fund.....	1,000	1,000	-	(1,000)	-
Appropriated Cemetery Trustee.....	1,636	1,636	1,636	-	1,589
Appropriated Parking Meter Receipts.....	10,000	10,000	5,031	(4,969)	1,500
Revenue class total	<u>12,636</u>	<u>12,636</u>	<u>6,667</u>	<u>(5,969)</u>	<u>3,089</u>
Total Revenues and Other Financing Sources	\$ <u>1,603,751</u>	\$ <u>1,611,750</u>	\$ <u>1,623,857</u>	\$ <u>12,107</u>	\$ <u>1,549,425</u>

## Exhibit A-4

## GENERAL FUND

## Schedule of Expenditures Compared to Budget (Budgetary Basis)

Year Ended June 30, 2000

(in thousands)

(with comparative actual amounts for 1999)

	2000					1999
	Original Budget	Final Budget	Actual	Variance		
				Favorable (Unfavorable)	Actual	
GENERAL GOVERNMENT						
Costs of Issuance - RANS.....	\$ 500	\$ 500	\$ 472	\$ 28	\$ 395	
Annual Audit Costs.....	600	600	555	45	337	
Mayor's Office.....	1,820	1,820	1,793	27	1,789	
City Council.....	3,331	3,331	3,289	42	3,071	
Consumer Affairs and Licensing.....	403	403	358	45	391	
Office of Community Partnerships.....	1,532	1,717	1,704	13	1,489	
Boston 2 to 6.....	548	548	544	4	367	
Election Department - Election Division.....	2,856	3,265	3,183	82	2,770	
Election Department - Listing Board.....	364	364	293	71	276	
Auditing Department.....	3,982	3,982	3,971	11	1,481	
Taxpayer Referral Department & Asst. Cntr.....	427	427	380	47	364	
Assessing Department.....	5,397	5,397	5,321	76	5,062	
Treasury Department - Collecting Division.....	2,251	2,251	2,042	209	2,081	
Treasury Department - Treasury Division.....	1,405	1,288	1,262	26	1,366	
Office of Budget Management.....	2,299	2,299	2,240	59	2,597	
Human Resources.....	2,162	2,211	2,193	18	2,126	
Purchasing Division.....	1,143	1,143	1,141	2	1,089	
Office of Chief Operating Officer.....	951	841	823	18	841	
Graphic Arts.....	1,435	1,435	1,380	55	1,292	
Office Labor Relations.....	920	1,044	1,042	2	897	
Management Information System.....	8,320	9,265	9,240	25	9,082	
Intergovernmental Relations.....	915	939	916	23	871	
						(continued)

(continued)

## Exhibit A-4 (continued)

## GENERAL FUND

## Schedule of Expenditures Compared to Budget (Budgetary Basis)

Year Ended June 30, 2000

(in thousands)

(with comparative actual amounts for 1999)

	2000			Variance Favorable (Unfavorable)	1999 Actual
	Original Budget	Final Budget	Actual		
Workers' Compensation Division.....	-	-	-	-	-
Minority/Women's Business.....	545	553	541	12	533
Office of Boston Residents Job Policy.....	419	411	401	10	398
Risk Retention Reserve.....	1,000	1,000	1,000	-	11,000
Law Department.....	4,216	4,028	3,876	152	3,757
City Clerk.....	836	836	807	29	774
Registry Division.....	831	831	783	48	798
Management Fund.....	225	225	225	-	225
Finance Commission.....	174	174	171	3	176
Office of Civil Rights.....	466	466	383	83	279
Emergency Shelter Commission.....	427	587	585	2	413
Public Information.....	829	829	787	42	779
Neighborhood Services.....	920	948	947	1	882
Special Events and Tourism.....	1,614	1,614	1,472	142	1,643
Women's Commission.....	154	154	149	5	143
Office of Cultural Affairs.....	750	750	726	24	557
Reserve For Collective Bargaining.....	438	8,500	8,500	-	2,000
Function total	57,405	66,976	65,495	1,481	64,391

(continued)



## Exhibit A-4 (continued)

## GENERAL FUND

## Schedule of Expenditures Compared to Budget (Budgetary Basis)

Year Ended June 30, 2000

(in thousands)

(with comparative actual amounts for 1999)

	2000			Variance	1999
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)	Actual
HUMAN SERVICES					
Rental Housing Resource Center.....	784	784	683	101	731
Elderly Commission.....	2,354	2,504	2,415	89	2,222
Veterans Services Department.....	2,540	2,060	2,005	55	2,139
Function total	5,678	5,348	5,103	245	5,092
PUBLIC SAFETY					
Police Department.....	204,007	200,782	200,757	25	194,218
Fire Department.....	115,938	115,938	118,751	(2,813)	115,912
Transportation - Traffic Division.....	17,876	17,876	17,611	265	17,127
Transportation - Parking Clerk.....	9,174	8,683	8,554	129	8,047
Licensing Board.....	540	551	548	3	524
Inspectional Services Department.....	11,691	11,691	11,271	420	11,143
Youth Fund.....	6,228	6,248	6,199	49	4,883
Function total	365,454	361,769	363,691	(1,922)	351,854
PUBLIC WORKS					
Public Works Department.....	63,584	63,134	63,133	1	59,394
Central Maintenance Facility.....	1,812	1,642	1,563	79	1,626
Snow Removal.....	4,393	4,393	6,019	(1,626)	7,469
Function total	69,789	69,169	70,715	(1,546)	68,489
					(continued)

(continued)

## Exhibit A-4 (continued)

## GENERAL FUND

## Schedule of Expenditures Compared to Budget (Budgetary Basis)

Year Ended June 30, 2000

(in thousands)

(with comparative actual amounts for 1999)

	2000			Variance Favorable (Unfavorable)	1999 Actual
	Original Budget	Final Budget	Actual		
PROPERTY AND DEVELOPMENT					
Property Management.....	15,927	15,662	15,661	1	14,858
Neighborhood Development.....	4,431	4,406	4,460	(54)	3,387
Support Division.....	297	322	256	66	97
PFD - Community Schools Division.....	13,802	14,595	14,591	4	13,660
Function total	34,457	34,985	34,968	17	32,002
PARKS AND RECREATION					
Parks and Recreation Department.....	11,567	11,567	11,565	2	10,987
Environment Department.....	915	915	879	36	884
Cemetery Division.....	1,636	1,636	1,500	136	1,495
Function total	14,118	14,118	13,944	174	13,366
LIBRARY					
Library Department.....	25,600	28,177	28,160	17	27,416
Function total	25,600	28,177	28,160	17	27,416
SCHOOLS					
General School Purposes.....	575,327	579,203	579,181	22	543,373
Function total	575,327	579,203	579,181	22	543,373
					(continued)

(continued)

## Exhibit A-4 (continued)

## GENERAL FUND

## Schedule of Expenditures Compared to Budget (Budgetary Basis)

Year Ended June 30, 2000

(in thousands)

(with comparative actual amounts for 1999)

	2000				Variance Favorable (Unfavorable)	1999 Actual
	Original Budget	Final Budget	Actual			
<b>PUBLIC HEALTH</b>						
Public Health Commission.....	58,213	58,213	58,213	-		53,502
Function total	58,213	58,213	58,213	-		53,502
<b>COUNTY</b>						
Registry of Deeds.....	-	-	-	-		1,780
Suffolk County Jail.....	4,183	5,854	5,854	-		5,584
Function total	4,183	5,854	5,854	-		7,364
<b>JUDGMENTS AND CLAIMS</b>						
Execution of Courts.....	4,100	4,100	6,203	(2,103)		8,102
Function total	4,100	4,100	6,203	(2,103)		8,102
<b>OTHER EMPLOYEE BENEFITS</b>						
Medicare Payments.....	2,972	3,201	3,201	-		2,928
Human Resources.....	554	554	479	75		435
Health Benefits & Insurance.....	81,300	78,847	78,847	-		75,011
Unemployment Compensation.....	50	50	4	46		16
Workers' Compensation Fund.....	3,400	3,400	4,069	(669)		4,291
Function total	88,276	86,052	86,600	(548)		82,681

(continued)

## Exhibit A-4 (continued)

## GENERAL FUND

## Schedule of Expenditures Compared to Budget (Budgetary Basis)

Year Ended June 30, 2000

(in thousands)

(with comparative actual amounts for 1999)

	2000				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1999 Actual
<b>PENSION COSTS</b>					
State - Boston Retirement System.....	128,659	128,595	128,595	-	120,254
Pensions and Annuities - City.....	5,800	5,665	5,665	-	5,800
Pensions and Annuities - County.....	500	269	269	-	500
Function total	134,959	134,529	134,529	-	126,554
<b>DEBT REQUIREMENTS</b>					
Redemption of City Loans.....	63,246	63,246	63,246	-	59,189
City Debt and Interest Payments.....	32,652	32,653	32,653	-	32,736
Interest on Temporary Notes.....	3,000	-	-	-	-
MWPAT Interest.....	42	106	106	-	-
Function total	98,940	96,005	96,005	-	91,925
<b>STATE &amp; DISTRICT ASSESSMENTS</b>					
State Exam of Retirement.....	-	-	-	-	-
Health Insurance/Retirement.....	631	631	631	-	606
Parking Surcharge.....	3,386	3,386	3,105	281	3,386
Mosquito Control Projects.....	174	174	145	29	140
Special Education Chapter 766.....	601	601	446	155	713

(continued)



## Exhibit A-4 (continued)

## GENERAL FUND

## Schedule of Expenditures Compared to Budget (Budgetary Basis)

Year Ended June 30, 2000

(in thousands)

(with comparative actual amounts for 1999)

	2000			Variance Favorable (Unfavorable)	1999 Actual
	Original Budget	Final Budget	Actual		
Metropolitan Air Pollution Center.....	132	132	132	-	125
Metropolitan Area Planning .....	137	137	137	-	133
M.B.T.A. Assessments.....	62,180	62,180	62,227	(47)	60,456
School Choice.....	-	-	161	(161)	-
M.D.C. Assessments.....	11	11	11	-	10
Function total	67,252	67,252	66,995	257	65,569
Total Expenditures \$	1,603,751 \$	1,611,750 \$	1,615,656 \$	(3,906) \$	1,541,680

## SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources, other than debt service, trust funds or capital projects that are legally restricted for specific purposes.

***Grant Fund*** accounts for a number of federal and state grants administered by the City's individual departments. These funds provide additional support to department programs.

***Revolving Fund*** accounts for funds that are set aside, generally by state statute, that are used to support the City's general fund operations. These funds are directly linked to a specific activity and are available without further City Council Appropriation.

Exhibit B-1

**SPECIAL REVENUE FUNDS**

Combining Balance Sheet

June 30, 2000

(in thousands)

(with comparative totals for 1999)

	Grant Fund	Revolving Fund	Totals	
			2000	1999
<b>ASSETS</b>				
Cash and investments.....	\$ 2,558	\$ 69,066	\$ 71,624	\$ 146,402
Restricted cash and investments.....	-	-	-	2,137
Receivables (net, where applicable, of allowance for estimated uncollectible amounts):				
Intergovernmental.....	65,671	-	65,671	53,853
Departmental and other.....	1,218	98	1,316	1,665
Total receivables.....	<u>66,889</u>	<u>98</u>	<u>66,987</u>	<u>55,518</u>
Due from other funds.....	9,378	20,149	29,527	2,237
Due from component units.....	-	-	-	300
Total assets.....	<u>\$ 78,825</u>	<u>\$ 89,313</u>	<u>\$ 168,138</u>	<u>\$ 206,594</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Warrants and accounts payable.....	\$ 31,473	\$ 828	\$ 32,301	\$ 54,476
Other accrued liabilities.....	697	33,229	33,926	33,946
Due to other funds.....	31,661	53	31,714	24,659
Total liabilities.....	<u>63,831</u>	<u>34,110</u>	<u>97,941</u>	<u>113,081</u>
Fund balance:				
Reserved for:				
Encumbrances and other.....	58,413	4,567	62,980	59,355
Debt Service.....	-	-	-	14,826
Unreserved:				
Undesignated.....	(43,419)	50,636	7,217	19,332
Total fund balance .....	<u>14,994</u>	<u>55,203</u>	<u>70,197</u>	<u>93,513</u>
Total liabilities and fund balance.....	<u>\$ 78,825</u>	<u>\$ 89,313</u>	<u>\$ 168,138</u>	<u>\$ 206,594</u>

**Exhibit B-2**

**SPECIAL REVENUE FUNDS**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2000

(in thousands)

(with comparative totals for 1999)

	<b>Grant Fund</b>	<b>Revolving Fund</b>	<b>Totals</b>	
			<b>2000</b>	<b>1999</b>
<b>REVENUES:</b>				
Local:				
Departmental and other revenue.....	\$ 21,333	\$ 12,802	\$ 34,135	\$ 36,114
Total local revenues.....	<u>21,333</u>	<u>12,802</u>	<u>34,135</u>	<u>36,114</u>
Intergovernmental:				
Federal .....	146,367	-	146,367	143,697
Commonwealth of Massachusetts.....	<u>109,063</u>	<u>-</u>	<u>109,063</u>	<u>116,211</u>
Total intergovernmental revenues.....	<u>255,430</u>	<u>-</u>	<u>255,430</u>	<u>259,908</u>
Total revenues.....	<u>276,763</u>	<u>12,802</u>	<u>289,565</u>	<u>296,022</u>
<b>EXPENDITURES:</b>				
Current operations:				
General government.....	4,369	2,816	7,185	5,782
Human services.....	3,640	117	3,757	4,542
Public safety.....	12,366	10,694	23,060	26,453
Public works.....	240	374	614	419
Parks and recreation.....	2,125	22	2,147	4,474
Library.....	-	1,089	1,089	1,222
Schools.....	83,702	7,356	91,058	76,522
County.....	75,553	8,421	83,974	70,068
Community development.....	60,169	706	60,875	70,512
Capital outlays.....	3,537	-	3,537	5,166
Debt service.....	<u>22,549</u>	<u>-</u>	<u>22,549</u>	<u>3,424</u>
Total expenditures.....	<u>268,250</u>	<u>31,595</u>	<u>299,845</u>	<u>268,584</u>
Excess (deficiency) of revenues over expenditures.....	<u>8,513</u>	<u>(18,793)</u>	<u>(10,280)</u>	<u>27,438</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from Section 108 Loans.....	1,790	-	1,790	5,015
Operating transfers out .....	<u>(14,826)</u>	<u>-</u>	<u>(14,826)</u>	<u>(720)</u>
Total other financing sources (uses).....	<u>(13,036)</u>	<u>-</u>	<u>(13,036)</u>	<u>4,295</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	<u>(4,523)</u>	<u>(18,793)</u>	<u>(23,316)</u>	<u>31,733</u>
Fund balance, beginning of year.....	19,517	73,996	93,513	61,780
Fund balance, end of year.....	<u>\$ 14,994</u>	<u>\$ 55,203</u>	<u>\$ 70,197</u>	<u>\$ 93,513</u>





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## CAPITAL PROJECT FUNDS

These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. Such resources are derived principally from proceeds of general obligation bonds and from federal and state grants.

***Bond Fund*** accounts for all activities founded from the sale of bonds.

***Grant Fund*** accounts for capital expenditures funded through receipts from federal, state and local grants.

***Sale of City Property Fund*** accounts for proceeds derived from the sale of City-owned properties.

***Convention Center Fund*** accounts for debt proceeds and expenditures related to site acquisition and preparation costs for the Boston Convention and Exhibition Center. The debt service for these debt proceeds are accounted for in the debt service fund.

***Lease Purchase Fund*** accounts for departmental equipment purchased through the lease purchase acquisition program.

## Exhibit C-1

## CAPITAL PROJECTS FUNDS

Combining Balance Sheet

June 30, 2000

(in thousands)

(with comparative totals for 1999)

	Bond Fund	Grant Fund	Lease Purchase	Sale of City Property	Convention Center	Totals 2000	Totals 1999
<b>ASSETS</b>							
Cash and investments.....	\$ 1,524	\$ 20,457	\$ 3,746	\$ 34,108	\$ 512	\$ 60,347	\$ 113,634
Intergovernmental receivables.....	-	309	-	-	-	309	-
Departmental & other receivables.....	15	300	-	-	-	315	-
Due from other funds.....	-	1,741	-	-	-	1,741	6,940
Due from component units.....	-	-	-	-	-	-	1,625
Total assets.....	\$ 1,539	\$ 22,807	\$ 3,746	\$ 34,108	\$ 512	\$ 62,712	\$ 122,199
<b>LIABILITIES AND FUND BALANCE</b>							
<b>Liabilities:</b>							
Warrants and accounts payable.....	\$ 2,815	\$ 2,440	\$ 174	\$ -	\$ 1,837	\$ 7,266	\$ 5,668
Other accrued liabilities.....	1,788	-	-	-	-	1,788	1,788
Due to other funds.....	47,479	27,906	-	-	-	75,385	42,208
Due to component units.....	-	482	-	-	-	482	545
Total liabilities.....	\$ 52,082	\$ 30,828	\$ 174	\$ -	\$ 1,837	\$ 84,921	\$ 50,209
<b>Fund balance:</b>							
Reserved for:							
Encumbrances and other.....	77,701	29,671	-	34,108	-	141,480	160,740
Unreserved:							
Undesignated.....	(128,244)	(37,692)	3,572	-	(1,325)	(163,689)	(88,750)
Total fund balance (deficit).....	(50,543)	(8,021)	3,572	34,108	(1,325)	(22,209)	71,990
Total liabilities and fund balance.....	\$ 1,539	\$ 22,807	\$ 3,746	\$ 34,108	\$ 512	\$ 62,712	\$ 122,199

## Exhibit C-2

**CAPITAL PROJECTS FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Year Ended June 30, 2000**  
(in thousands)  
(with comparative totals for 1999)

	Bond Fund	Grant Fund	Lease Purchase	Sale of City Property	Convention Center	Totals	
						2000	1999
<b>REVENUES:</b>							
Local:							
Investment income.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99
Departmental and other.....	-	3,759	-	200	-	3,959	2,608
Total local revenues.....	-	3,759	-	200	-	3,959	2,707
Intergovernmental:							
Federal.....	-	1,760	-	-	-	1,760	\$
Commonwealth of Massachusetts.....	-	8,060	-	-	-	8,060	17,645
Total intergovernmental revenues.....	-	9,820	-	-	-	9,820	17,650
Total revenues.....	-	13,579	-	200	-	13,779	20,357
<b>EXPENDITURES:</b>							
Capital outlays.....	120,477	21,076	11,141	-	103,297	255,991	201,237
Debt service.....	-	-	-	-	-	-	293
Total expenditures.....	120,477	21,076	11,141	-	103,297	255,991	201,530
Deficiency of revenues over expenditures.....	(120,477)	(7,497)	(11,141)	200	(103,297)	(242,212)	(181,173)
<b>OTHER FINANCING SOURCES (USES):</b>							
Proceeds of debt and capital leases.....	105,500	-	12,030	-	27,800	145,330	266,025
Operating transfers in.....	-	-	2,683	-	74,172	76,855	2,000
Operating transfers out.....	(74,172)	-	-	-	-	(74,172)	(82)
Total other financing sources.....	31,328	-	14,713	-	101,972	148,013	267,943
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(89,149)	(7,497)	3,572	200	(1,325)	(94,199)	86,770
Fund balance (deficit), beginning of year.....	38,606	(524)	-	33,908	-	71,990	(14,780)
Fund balance (deficit), end of year.....	\$ (50,543)	\$ (8,021)	\$ 3,572	\$ 34,108	\$ (1,325)	\$ (22,209)	\$ 71,990





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## DEBT SERVICE FUND

*Debt Service Fund* is used to account for financial resources to be used for the payment of principal and interest on long-term debt issued to fund site acquisition and preparation costs for the Boston Convention and Exhibition Center.

**Exhibit D-1****DEBT SERVICE FUND**  
**Balance Sheet**  
**Year Ended June 30, 2000**  
**(in thousands)**

	<u>2000</u>
<b>ASSETS</b>	
Cash and investments.....	\$ <u>37,630</u>
Total assets.....	\$ <u><u>37,630</u></u>
<b>LIABILITIES AND FUND BALANCE</b>	
Fund Balance:	
Reserved for debt service.....	\$ <u>37,630</u>
Total fund balance.....	<u>37,630</u>
 Total liabilities and fund balance.....	 \$ <u><u>37,630</u></u>

Exhibit D-2

**DEBT SERVICE FUND**  
**Statement of Revenues,**  
**Expenditures and Changes in Fund Balance**  
**Year Ended June 30, 2000**  
**(in thousands)**

	<u>2000</u>
<b>REVENUES:</b>	
Departmental and other.....	\$ 28,369
Total revenues.....	<u>28,369</u>
<b>EXPENDITURES</b>	
Debt service.....	<u>5,565</u>
Total expenditures.....	<u>5,565</u>
Excess of revenue over expenditures.....	<u>22,804</u>
<b>OTHER FINANCING SOURCES:</b>	
Operating transfers in.....	<u>14,826</u>
Total other financing sources.....	<u>14,826</u>
Excess of revenues and other financing sources over expenditures.....	37,630
Fund balance, beginning of year.....	-
Fund balance, end of year.....	<u>\$ 37,630</u>





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## INTERNAL SERVICE FUND

*Internal Service Fund* accounts for the City's self insurance for health benefits provided by Blue Cross/Blue Shield for City employees, their dependents and retirees.

Exhibit E-1

INTERNAL SERVICE FUND

Comparative Balance Sheet

June 30, 2000 and 1999

(in thousands)

	2000	1999
<b>ASSETS</b>		
Cash and cash equivalents.....	\$ 4,044	\$ 4,354
Departmental and other receivables.....	101	-
Due from other funds.....	761	754
Other assets.....	1,193	-
Total assets.....	<u>\$ 6,099</u>	<u>\$ 5,108</u>
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Warrants and accounts payable.....	\$ -	\$ 698
Accrued judgments and claims.....	11,202	9,740
Total liabilities.....	<u>11,202</u>	<u>10,438</u>
Fund equity:		
Retained earnings.....	(5,103)	(5,330)
Total fund deficit.....	<u>(5,103)</u>	<u>(5,330)</u>
Total liabilities and fund equity.....	<u>\$ 6,099</u>	<u>\$ 5,108</u>

Exhibit E-2

INTERNAL SERVICE FUND

Comparative Statement of Revenues, Expenses and Changes in Fund Equity  
Year Ended June 30, 2000 and 1999  
(in thousands)

	<u>2000</u>	<u>1999</u>
<b>REVENUES:</b>		
Employer contributions.....	\$ 45,629	\$ 47,447
Employee contributions.....	15,177	16,307
Miscellaneous.....	719	1,443
Total operating revenues.....	<u>61,525</u>	<u>65,197</u>
<b>EXPENSES:</b>		
Administrative and general.....	373	386
Health benefits.....	60,925	59,245
Total operating expenses.....	<u>61,298</u>	<u>59,631</u>
Operating income.....	227	5,566
Fund deficit, beginning of year.....	<u>(5,330)</u>	<u>(10,896)</u>
Fund deficit, end of year.....	<u>\$ (5,103)</u>	<u>\$ (5,330)</u>



Exhibit E-3

**INTERNAL SERVICE FUND**  
**Comparative Statement of Cash Flows**  
**Year Ended June 30, 2000 and 1999**  
(in thousands)

	<u>2000</u>	<u>1999</u>
<b>Cash Flows From Operating Activities:</b>		
Operating income.....	\$ 227	\$ 5,566
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable.....	(101)	103
Other assets.....	(1,193)	-
Due to/from other funds.....	(7)	(1,390)
Accounts payable.....	(698)	352
Other accrued liabilities.....	1,462	(277)
Net cash provided by operating activities.....	<u>(310)</u>	<u>4,354</u>
Cash and cash equivalents, beginning of year.....	4,354	-
Cash and cash equivalents, end of year.....	<u>\$ 4,044</u>	<u>\$ 4,354</u>

## TRUST AND AGENCY FUNDS

### PENSION TRUST FUNDS

***State-Boston Retirement System*** is a defined benefit contributory retirement plan covering employees of the City of Boston and Suffolk County, Boston Public Health Commission, Boston Housing Authority, Boston Redevelopment Authority and the Boston Water and Sewer Commission. The system is subject to benefit provisions and financing requirements set forth primarily in Chapter 32 of the Massachusetts General Laws.

***Boston Retirement System*** is the independent contributory plan system available exclusively to City of Boston employees who were employed prior to October 1, 1946.

### NONEXPENDABLE TRUST FUNDS

***City Funds*** are used for the maintenance and improvement of the City's parks and cemeteries and the erection and maintenance of statues and monuments for the use and enjoyment of City residents.

***School Funds*** are used for scholarship awards, the purchase of educational equipment and the aid of needy students.

***George Robert White Fund*** was formed by the will of George R. White dated May 21, 1920. The will requires that the Fund's income be used for the creation of public utility and beauty for the use and enjoyment of the inhabitants of the City.

### EXPENDABLE TRUST FUNDS

***City Funds, School Funds and the George Robert White Fund*** account for the accumulated interest and dividends generated from the Nonexpendable Trust Funds awaiting expenditure or reinvestment of principal and income.

***Law Enforcement Trust Fund*** accounts for proceeds from property seized from illegal drug related activities. Funds can be used to defray the costs of protracted investigations, to provide technical equipment or expertise and provide matching funds for federal grants.

***Neighborhood Housing Fund*** was established to support the creation and preservation of affordable housing for low and moderate income residents of Boston. Developers of certain large-scale commercial real estate projects in the City are required to make contributions in the form of payments to the Fund.

***Neighborhood Jobs Fund*** was established to protect and provide employment opportunities for low and moderate income residents of Boston. As mandated by the Boston Zoning Code, developers of certain large-scale commercial real estate projects in the City are required to make contributions to the Fund over a two year period.

Exhibit F-1

TRUST AND AGENCY FUNDS

Combining Balance Sheet

June 30, 2000

(in thousands)

(with comparative totals for 1999)

	Pension Trust Funds		
	State-Boston Retirement System	Boston Retirement System	Total Pension Trust Funds
<b>ASSETS</b>			
Cash and investments.....	\$ 3,162,868	\$ 168	\$ 3,163,036
Receivables (net, where applicable, of allowance for estimated uncollectible amounts):			
Intergovernmental.....	78,885	-	78,885
Departmental and other.....	131,499	-	131,499
Total receivables.....	210,384	-	210,384
Due from other funds.....	-	42	42
Property, plant and equipment, net of accumulated depreciation.....	-	-	-
Total assets.....	\$ 3,373,252	\$ 210	\$ 3,373,462
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities:			
Warrants and accounts payable.....	\$ 136,267	\$ -	\$ 136,267
Other accrued liabilities.....	2,379	-	2,379
Due to other funds.....	-	-	-
Notes payable.....	-	-	-
Total liabilities.....	138,646	-	138,646
Fund Equity:			
Reserved for:			
Endowments.....	-	-	-
Employees pension benefits.....	3,234,606	210	3,234,816
Unreserved:			
Undesignated.....	-	-	-
Total fund equity.....	3,234,606	210	3,234,816
Total liabilities and fund equity.....	\$ 3,373,252	\$ 210	\$ 3,373,462

**City of Boston, Massachusetts**

<b>Nonexpendable Trust Funds</b>			
<b>City Funds</b>	<b>School Funds</b>	<b>George Robert White Fund</b>	<b>Total Nonexpendable Trust Funds</b>
\$ 56,397	\$ 848	\$ 23,011	\$ 80,256
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
60	-	30	90
<u>\$ 56,457</u>	<u>\$ 848</u>	<u>\$ 23,041</u>	<u>\$ 80,346</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
56,457	848	23,041	80,346
-	-	-	-
-	-	-	-
56,457	848	23,041	80,346
<u>\$ 56,457</u>	<u>\$ 848</u>	<u>\$ 23,041</u>	<u>\$ 80,346</u>

(continued)



**City of Boston, Massachusetts**

**Exhibit F-1 (continued)**

**TRUST AND AGENCY FUNDS**

Combining Balance Sheet

June 30, 2000

(in thousands)

(with comparative totals for 1999)

	<b>Expendable Trust Funds</b>		
	<b>City Funds</b>	<b>School Funds</b>	<b>George Robert White Fund</b>
<b>ASSETS</b>			
Cash and investments.....	\$ 25,035	\$ 341	\$ 4,066
Receivables (net, where applicable, of allowance for estimated uncollectible amounts):			
Intergovernmental.....	-	-	-
Departmental and other.....	-	-	-
Total receivables.....	-	-	-
Due from other funds.....	-	-	-
Property, plant and equipment, net of accumulated depreciation.....	-	-	-
Total assets.....	<u>\$ 25,035</u>	<u>\$ 341</u>	<u>\$ 4,066</u>
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities:			
Warrants and accounts payable.....	\$ -	\$ -	\$ -
Other accrued liabilities.....	298	1	69
Due to other funds.....	-	-	-
Notes payable.....	-	-	-
Total liabilities.....	<u>298</u>	<u>1</u>	<u>69</u>
Fund Equity:			
Reserved for:			
Endowments.....	-	-	-
Employees pension benefits.....	-	-	-
Unreserved:			
Undesignated.....	<u>24,737</u>	<u>340</u>	<u>3,997</u>
Total fund equity.....	<u>24,737</u>	<u>340</u>	<u>3,997</u>
Total liabilities and fund equity.....	<u>\$ 25,035</u>	<u>\$ 341</u>	<u>\$ 4,066</u>

Expendable Trust Funds				
Law Enforcement Trust Fund	Neighborhood Housing Trust	Neighborhood Jobs Trust	Total Expendable Trust Funds	
\$ 4,412	\$ 10,030	\$ 3,166	\$ 47,050	
-	1,392	-	1,392	
-	423	123	546	
-	1,815	123	1,938	
-	-	-	-	
-	-	-	-	
\$ 4,412	\$ 11,845	\$ 3,289	\$ 48,988	
\$ -	\$ -	\$ -	\$ -	
-	56	3	427	
-	-	-	-	
-	366	-	366	
-	422	3	793	
-	-	-	-	
-	-	-	-	
4,412	11,423	3,286	48,195	
4,412	11,423	3,286	48,195	
\$ 4,412	\$ 11,845	\$ 3,289	\$ 48,988	

(continued)

Exhibit F-1(continued)

TRUST AND AGENCY FUNDS

Combining Balance Sheet

June 30, 2000

(in thousands)

(with comparative totals for 1999)

	Totals	
	2000	1999
<b>ASSETS</b>		
Cash and investments.....	\$ 3,290,342	\$ 2,786,117
Receivables (net, where applicable, of allowance for estimated uncollectible amounts):		
Intergovernmental.....	80,277	20,358
Departmental and other.....	132,045	169,599
Total receivables.....	<u>212,322</u>	<u>189,957</u>
Due from other funds.....	42	59,624
Property, plant and equipment, net of accumulated depreciation.....	<u>90</u>	<u>90</u>
Total assets.....	\$ <u>3,502,796</u>	\$ <u>3,035,788</u>
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Warrants and accounts payable.....	\$ 136,267	\$ 140,368
Other accrued liabilities.....	2,806	7,576
Due to other funds.....	-	64
Notes payable.....	366	888
Total liabilities.....	<u>139,439</u>	<u>148,896</u>
Fund Equity:		
Reserved for:		
Endowments.....	80,346	76,316
Employees pension benefits.....	3,234,816	2,772,187
Unreserved:		
Undesignated.....	<u>48,195</u>	<u>38,389</u>
Total fund equity.....	<u>3,363,357</u>	<u>2,886,892</u>
Total liabilities and fund equity.....	\$ <u>3,502,796</u>	\$ <u>3,035,788</u>

**City of Boston, Massachusetts**

**Exhibit F-2**

**PENSION TRUST FUNDS**

Combining Statement of Plan Net Assets

June 30, 2000

(in thousands)

(with comparative totals for 1999)

	<b>State-Boston Retirement System</b>	<b>Boston Retirement System</b>	<b>Totals</b>	
			<b>2000</b>	<b>1999</b>
<b>ASSETS</b>				
Cash and short-term investments.....	\$ 123,808	\$ 168	\$ 123,976	\$ 92,338
Receivables:				
Intergovernmental.....	78,885	-	78,885	19,034
Departmental and other.....	131,499	-	131,499	168,407
Due from other funds.....	-	42	42	59,624
Total receivables.....	<u>210,384</u>	<u>42</u>	<u>210,426</u>	<u>247,065</u>
Investments:				
U.S. Government Obligations.....	52,498	-	52,498	74,468
U.S. Government Agency Obligations.....	42,505	-	42,505	3,105
Debt securities.....	511,297	-	511,297	1,662,029
Equity securities.....	2,201,892	-	2,201,892	702,698
Venture capital funds.....	25,488	-	25,488	18,670
Real estate funds.....	205,380	-	205,380	118,924
Total investments.....	<u>3,039,060</u>	<u>-</u>	<u>3,039,060</u>	<u>2,579,894</u>
 Total assets.....	 <u>\$ 3,373,252</u>	 <u>\$ 210</u>	 <u>\$ 3,373,462</u>	 <u>\$ 2,919,297</u>
<b>LIABILITIES</b>				
Liabilities:				
Warrants and accounts payable.....	\$ 136,267	\$ -	\$ 136,267	\$ 140,368
Other accrued liabilities.....	2,379	-	2,379	6,742
Total liabilities.....	<u>138,646</u>	<u>-</u>	<u>138,646</u>	<u>147,110</u>
 Net assets held in trust for pension benefits.....	 <u>\$ 3,234,606</u>	 <u>\$ 210</u>	 <u>\$ 3,234,816</u>	 <u>\$ 2,772,187</u>



Exhibit F-3

**PENSION TRUST FUNDS**

Combining Statement of Changes in Plan Net Assets

Year Ended June 30, 2000

(in thousands)

(with comparative totals for 1999)

	State-Boston Retirement System	Boston Retirement System	Totals	
			2000	1999
<b>ADDITIONS:</b>				
Contributions:				
Employer.....	\$ 147,409	\$ 190	\$ 147,599	\$ 138,855
Employee.....	72,654	-	72,654	67,071
Total contributions.....	220,063	190	220,253	205,926
Investment Income:				
Realized and unrealized gains on investments.....	400,413	-	400,413	317,221
Interest.....	57,224	4	57,228	51,627
Total investment income.....	457,637	4	457,641	368,848
Intergovernmental.....	24,036	-	24,036	23,199
Total additions.....	701,736	194	701,930	597,973
<b>DEDUCTIONS:</b>				
Benefits.....	218,455	132	218,587	213,272
Refunds of contributions.....	18,820	-	18,820	21,843
Administrative expenses.....	1,894	-	1,894	1,857
Total deductions.....	239,169	132	239,301	236,972
Net increase (decrease).....	462,567	62	462,629	361,001
Net assets held in trust for pension benefits:				
Beginning of year.....	2,772,039	148	2,772,187	2,411,186
End of year.....	<u>\$ 3,234,606</u>	<u>\$ 210</u>	<u>\$ 3,234,816</u>	<u>\$ 2,772,187</u>



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Exhibit F-4

**EXPENDABLE TRUST FUNDS**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2000

(in thousands)

(with comparative totals for 1999)

	City Funds	School Funds	George Robert White Fund
<b>REVENUES:</b>			
Investment income.....	\$ 572	\$ 18	\$ 157
Departmental and other.....	4,247	3	24
Total revenues.....	<u>4,819</u>	<u>21</u>	<u>181</u>
<b>EXPENDITURES:</b>			
General government.....	202	4	106
Human services.....	-	-	-
Public works.....	-	-	513
Parks and recreation.....	3,957	-	-
Schools.....	-	32	-
Total expenditures.....	<u>4,159</u>	<u>36</u>	<u>619</u>
Excess (deficiency) of revenues over expenditures.....	660	(15)	(438)
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers out.....	(1,636)	-	-
Operating transfers in.....	4,020	58	1,327
Total other financing sources.....	<u>2,384</u>	<u>58</u>	<u>1,327</u>
Excess (deficiency) of revenues over expenditures.....	3,044	43	889
Fund balance, beginning of year.....	<u>21,693</u>	<u>297</u>	<u>3,108</u>
Fund balance, end of year.....	<u>\$ 24,737</u>	<u>\$ 340</u>	<u>\$ 3,997</u>

**City of Boston, Massachusetts**

Law Enforcement Trust Fund	Neighborhood Housing Trust	Neighborhood Jobs Trust	Totals	
			2000	1999
\$ -	\$ 588	\$ 137	\$ 1,472	\$ 1,349
11,528	2,948	2,231	20,981	5,847
<u>11,528</u>	<u>3,536</u>	<u>2,368</u>	<u>22,453</u>	<u>7,196</u>
7,157	89	141	7,699	950
-	3,828	387	4,215	1,615
-	-	-	513	146
-	-	-	3,957	3,894
-	-	-	32	47
<u>7,157</u>	<u>3,917</u>	<u>528</u>	<u>16,416</u>	<u>6,652</u>
4,371	(381)	1,840	6,037	544
-	-	-	(1,636)	(1,589)
-	-	-	5,405	3,413
-	-	-	3,769	1,824
4,371	(381)	1,840	9,806	2,368
41	11,804	1,446	38,389	36,021
<u>\$ 4,412</u>	<u>\$ 11,423</u>	<u>\$ 3,286</u>	<u>\$ 48,195</u>	<u>\$ 38,389</u>



## Exhibit F-5

**NONEXPENDABLE TRUST FUNDS**  
Combining Statement of Revenues, Expenses and Changes in Fund Equity  
Year Ended June 30, 2000  
(in thousands)  
(with comparative totals for 1999)

	City Funds	School Funds	George Robert White Fund	Totals
				2000      1999
<b>REVENUES:</b>				
Investment income.....	\$ 7,945	\$ 21	\$ 1,952	\$ 9,918    \$ 9,821
Departmental and other revenue.....	32	-	-	32      98
Total operating revenues.....	<u>7,977</u>	<u>21</u>	<u>1,952</u>	<u>9,950</u> <u>9,919</u>
<b>EXPENSES:</b>				
Administrative and general.....	418	4	93	515      -
Total operating expenses.....	<u>418</u>	<u>4</u>	<u>93</u>	<u>515</u> -
Operating income (loss).....	7,559	17	1,859	9,435      9,919
<b>OTHER FINANCING (USES):</b>				
Operating transfers out.....	(4,020)	(58)	(1,327)	(5,405)    (3,413)
Total other financing (uses).....	<u>(4,020)</u>	<u>(58)</u>	<u>(1,327)</u>	<u>(5,405)</u> <u>(3,413)</u>
Net income.....	3,539	(41)	532	4,030      6,506
Fund equity, beginning of year.....	52,918	889	22,509	76,316      69,810
Fund equity, end of year.....	<u>\$ 56,457</u>	<u>\$ 848</u>	<u>\$ 23,041</u>	<u>\$ 80,346</u> <u>\$ 76,316</u>

## Exhibit F-6

## NONEXPENDABLE TRUST FUNDS

Combining Statement of Cash Flows

Year Ended June 30, 2000

(in thousands)

	City Funds	School Funds	George Robert White Fund	Totals 2000	1999
<b>Cash flows from operating activities:</b>					
Operating income.....	\$ 7,559	\$ 17	\$ 1,859	\$ 9,435	\$ 9,919
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Reclassification of investment income.....	(7,945)	(21)	(1,952)	(9,918)	(9,821)
Net cash provided (used) by operating activities.....	<u>(386)</u>	<u>(4)</u>	<u>(93)</u>	<u>(483)</u>	<u>98</u>
<b>Cash flows from noncapital financing activities:</b>					
Operating transfers out.....	(4,020)	(58)	(1,327)	(5,405)	(3,413)
Net cash used by noncapital financing activities.....	<u>(4,020)</u>	<u>(58)</u>	<u>(1,327)</u>	<u>(5,405)</u>	<u>(3,413)</u>
<b>Cash Flows From Investing Activities:</b>					
Purchase of investment securities.....	(3,539)	-	(514)	(4,053)	(6,619)
Investment income.....	7,945	21	1,952	9,918	9,821
Net cash provided by investing activities.....	<u>4,406</u>	<u>21</u>	<u>1,438</u>	<u>5,865</u>	<u>3,202</u>
Increase (decrease) in cash and cash equivalents.....	-	(41)	18	(23)	(113)
Cash and cash equivalents, beginning of year.....	-	10	512	522	635
Cash and cash equivalents, end of year.....	-	(31)	530	499	522
Investments, end of year.....	56,397	879	22,481	79,757	75,704
Total cash and investments, end of year.....	<u>\$ 56,397</u>	<u>\$ 848</u>	<u>\$ 23,011</u>	<u>\$ 80,256</u>	<u>\$ 76,226</u>



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## DISCRETELY PRESENTED COMPONENT UNITS

Discretely Presented Component Units are legally separate organizations for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's governing body with certain exceptions, and either (a) the ability to impose will by the primary government, or (b) the potential for the organization to provide financial benefits to, or impose financial burden on the primary government.

***Boston Public Health Commission*** is an independent body politic and corporate and political subdivision of the Commonwealth, whose purpose is to implement public health programs in the City and serves as the Board of Health for the City. The Commission is also responsible for the City's homeless shelter program, for the development of public health initiatives and for emergency ambulance service in the City.

***Trustees of the Boston Public Library*** is an endowment whose income is restricted to donor – designated purposes or to the general purposes of the Boston Public Library.

***Boston Redevelopment Authority*** is a public body politic and corporate constituting the City's redevelopment authority and exercising the powers of a planning board for the City and, within the City, assuming certain powers of the state Department of Community Affairs.

***Economic Development Industrial Corporation*** is a quasi – public agency of the City of Boston and instrumentality of the Commonwealth, whose purpose is to create and retain industrial companies and jobs through economic development, industrial real estate management, financing and job training.



Exhibit G-1

DISCRETELY PRESENTED COMPONENT UNITS

Combining Balance Sheet

June 30, 2000

(in thousands)

(with comparative totals for 1999)

	Public Health Commission	Trustees of the Public Library
<b>ASSETS</b>		
Cash and investments.....	\$ 36,458	\$ 60,129
Restricted cash and investments.....	4,116	-
Receivables (net, where applicable, of allowance for estimated uncollectible amounts):		
Intergovernmental.....	-	1,233
Departmental and other.....	5,585	338
Total receivables.....	5,585	1,571
Due from other funds.....	-	921
Due from primary government.....	482	-
Due from BMC.....	158,115	-
Other assets.....	1,057	-
Property, plant and equipment, net of accumulated depreciation.....	26,203	922
Amount to be provided for the retirement of long-term debt.....	169,334	-
Total assets.....	\$ 401,350	\$ 63,543
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Warrants and accounts payable.....	\$ 6,998	\$ 798
Accrued liabilities:		
Sick and vacation.....	-	-
Other.....	12,273	-
Due to other funds.....	-	921
Due to BMC.....	20,858	-
Due to primary government.....	163,421	438
Deferred revenue.....	162,300	-
Bonds and notes payable.....	-	-
Total liabilities.....	365,850	2,157
Fund equity:		
Investment in general fixed assets.....	26,203	922
Retained earnings.....	-	-
Fund balances:		
Reserved for endowments.....	-	39,412
Reserved for encumbrances and other.....	2,300	19,995
Unreserved:		
Designated for subsequent year expenditures.....	2,901	-
Undesignated.....	4,096	1,057
Total fund balances.....	9,297	60,464
Total fund equity.....	35,500	61,386
Total liabilities and fund equity.....	\$ 401,350	\$ 63,543

**City of Boston, Massachusetts**

Boston Redevelopment Authority	Economic Development Industrial Corporation	Totals	
		2000	1999
\$ 16,653	\$ 12,943	\$ 126,183	\$ 98,450
1,609	14,926	20,651	8,342
5,406	8,984	15,623	11,232
88,074	10,959	104,956	82,023
<u>93,480</u>	<u>19,943</u>	<u>120,579</u>	<u>93,255</u>
3,487	-	4,408	1,370
-	-	482	545
-	-	158,115	158,421
-	362	1,419	1,417
1,066	23,375	51,566	45,145
2,734	-	172,068	173,267
<u>\$ 119,029</u>	<u>\$ 71,549</u>	<u>\$ 655,471</u>	<u>\$ 580,212</u>
\$ 68,067	\$ 6,962	\$ 82,825	\$ 75,872
1,259	-	1,259	1,185
2,674	2,420	17,367	9,723
3,487	-	4,408	1,370
-	-	20,858	6,544
-	-	163,859	173,567
32,806	9,747	204,853	189,029
1,475	30,859	32,334	20,983
<u>109,768</u>	<u>49,988</u>	<u>527,763</u>	<u>478,273</u>
1,066	-	28,191	21,454
-	21,561	21,561	17,878
-	-	39,412	37,805
-	-	22,295	12,279
700	-	3,601	3,100
7,495	-	12,648	9,423
<u>8,195</u>	<u>-</u>	<u>77,956</u>	<u>62,607</u>
9,261	21,561	127,708	101,939
<u>\$ 119,029</u>	<u>\$ 71,549</u>	<u>\$ 655,471</u>	<u>\$ 580,212</u>

## Exhibit G-2

**DISCRETELY PRESENTED COMPONENT UNITS**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Year Ended June 30, 2000  
(in thousands)  
(with comparative totals for 1999)

		<b>Boston Redevelopment Authority</b>	<b>Public Health Commission</b>	<b>Totals</b>	
				<b>2000</b>	<b>1999</b>
<b>REVENUES:</b>					
Local:					
Investment income.....	\$	272	\$ 1,894	\$ 2,166	\$ 1,131
Departmental and other revenue.....		11,860	22,283	34,143	29,660
Total local revenues.....		12,132	24,177	36,309	30,791
Intergovernmental:					
Federal.....		-	32,416	32,416	30,117
Local.....		113,008	-	113,008	52,557
Total intergovernmental revenues.....		113,008	32,416	145,424	82,674
Total revenues.....		125,140	36,593	181,733	113,465
<b>EXPENDITURES:</b>					
Current operations:					
General government.....		8,632	13,432	22,064	18,855
Debt service.....		-	824	824	-
Public health programs.....		-	63,748	63,748	56,699
Retirement costs.....		-	-	-	981
Other employee benefits.....		2,047	-	2,047	921
Subsidies to BMC and EMS.....		-	7,810	7,810	7,283
Assistance grants to BMC.....		-	10,000	10,000	8,000
Community development.....		111,889	-	111,889	52,311
Capital outlays.....		283	2,635	2,918	43
Total expenditures.....		122,831	98,449	221,300	145,093
Excess of revenues over expenditures.....		2,289	(41,856)	(39,567)	(31,628)
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds of debt and capital leases.....		-	4,475	4,475	-
Operating transfers from primary government.....		-	58,213	58,213	(18,525)
Operating transfers to primary government.....		-	(18,026)	(18,026)	54,340
Total other financing sources.....		-	44,662	44,662	35,815
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....		2,289	2,806	5,095	4,187
Fund balance, beginning of year.....		5,906	6,491	12,397	8,210
Fund balance, end of year.....	\$	8,195	9,297	17,492	12,397



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## Exhibit G-3

## DISCRETELY PRESENTED COMPONENT UNITS

Combining Statement of Revenues, Expenses and Changes in Fund Equity

Year Ended June 30, 2000

(in thousands)

(with comparative totals for 1999)

	<b>Trustees of the Public Library</b>
<b>REVENUES:</b>	
Contributions and donations.....	\$ 18,137
Rental income.....	-
Investment income.....	4,482
Net unrealized gain.....	189
Miscellaneous.....	700
Total operating revenues.....	<u>23,508</u>
<b>EXPENSES:</b>	
Salaries and wages.....	3,651
Professional fees.....	-
Administrative and general.....	4,360
Materials, supplies and equipment.....	4,462
Depreciation.....	-
Bad debts.....	-
Public health programs.....	-
Debt service.....	-
Retirement costs.....	-
Assistance payments to BMC.....	-
Benefits.....	-
Capital outlays.....	3,522
Subsidies for community services, special programs and real estate operations.....	<u>-</u>
Total operating expenses.....	<u>15,995</u>
Operating income (loss).....	<u>7,513</u>
<b>Nonoperating revenues and expenses:</b>	
Grant income.....	1,960
Interest income.....	-
Interest expense.....	-
Total nonoperating revenue.....	<u>1,960</u>
<b>Operating Transfers:</b>	
Transfers to primary government.....	<u>-</u>
Net Income.....	9,473
Fund equity, beginning of year.....	50,210
Prior period adjustment.....	781
Fund equity, end of year.....	<u>\$ 60,464</u>

**City of Boston, Massachusetts**

Economic Development Industrial Corporation	Totals	
	2000	1999
\$ -	\$ 18,137	\$ 19,489
10,034	10,034	9,089
-	4,482	2,469
-	189	2,353
792	1,492	1,256
<u>10,826</u>	<u>34,334</u>	<u>34,656</u>
7,874	11,525	11,080
553	553	649
2,648	7,008	7,492
149	4,611	7,210
896	896	1,044
183	183	58
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	3,522	4,314
<u>13,938</u>	<u>13,938</u>	<u>13,307</u>
<u>26,241</u>	<u>42,236</u>	<u>45,154</u>
<u>(15,415)</u>	<u>(7,902)</u>	<u>(10,498)</u>
18,597	20,557	17,681
1,435	1,435	1,364
(934)	(934)	(973)
<u>19,098</u>	<u>21,058</u>	<u>18,072</u>
-	-	(2,000)
3,683	13,156	5,574
17,878	68,088	62,514
-	781	-
<u>\$ 21,561</u>	<u>\$ 82,025</u>	<u>\$ 68,088</u>

## Exhibit G-4

## DISCRETELY PRESENTED COMPONENT UNITS

Combining Statement of Cash Flows

Year Ended June 30, 2000

(in thousands)

(with comparative totals for 1999)

	Trustees of the Public Library
<b>Cash Flows From Operating Activities:</b>	
Operating income (loss).....	\$ 7,513
Adjustments to reconcile operating income (loss) to net cash used by operating activities:	
Depreciation and amortization.....	-
Net unrealized losses.....	(189)
Reclassification of investment income.....	(4,482)
Provisions for bad debt.....	-
Changes in operating assets and liabilities:	
Departmental and other receivables.....	100
Intergovernmental receivables.....	2,439
Other assets.....	-
Due to/from primary government.....	(2,358)
Accounts payable.....	(1,133)
Other accrued liabilities.....	(449)
Deferred revenue.....	(1,993)
Net cash provided by operating activities.....	(552)
<b>Cash Flows From Noncapital Financing Activities:</b>	
Advances from grantors.....	1,960
Operating transfers to primary government.....	-
Net cash used by noncapital financing activities.....	1,960
<b>Cash Flows From Capital and Related Financing Activities:</b>	
Acquisition and construction of capital assets.....	-
Interest paid on debt.....	-
Issuance of debt.....	-
Repayment of long-term debt.....	-
Net cash used by capital and related financing activities.....	-
<b>Cash Flows From Investing Activities:</b>	
Purchase of investment securities.....	-
Proceeds from sale of investment securities.....	969
Investment income.....	4,482
Net cash provided (used) by investing activities.....	5,451
Increase (decrease) in cash and cash equivalents.....	6,859
Cash and cash equivalents, beginning of year.....	9,562
Cash and cash equivalents, end of year.....	16,421
Investments, end of year.....	43,708
Total cash and investments, end of year.....	\$ 60,129

**City of Boston, Massachusetts**

<b>Economic Development Industrial Corporation</b>	<b>Totals</b>	
	<b>2000</b>	<b>1999</b>
\$ (15,415)	\$ (7,902)	\$ (10,498)
896	896	1,044
-	(189)	(2,353)
-	(4,482)	(2,469)
183	183	58
80	180	(275)
(1,709)	730	(5,544)
(46)	(46)	(56)
-	(2,358)	2,272
1,106	(27)	2,228
(171)	(620)	1,255
47	(1,946)	1,896
<u>(15,029)</u>	<u>(15,581)</u>	<u>(12,442)</u>
18,597	20,557	17,681
-	-	(2,000)
<u>18,597</u>	<u>20,557</u>	<u>15,681</u>
(499)	(499)	(298)
(934)	(934)	(973)
12,420	12,420	-
<u>(755)</u>	<u>(755)</u>	<u>(756)</u>
<u>10,232</u>	<u>10,232</u>	<u>(2,027)</u>
(15,199)	(15,199)	(10,757)
7,770	8,739	10,067
1,435	5,917	3,833
<u>(5,994)</u>	<u>(543)</u>	<u>3,143</u>
7,806	14,665	4,355
3,587	13,149	8,794
<u>11,393</u>	<u>27,814</u>	<u>13,149</u>
1,550	45,258	50,572
<u>\$ 12,943</u>	<u>\$ 73,072</u>	<u>\$ 63,721</u>





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## **GENERAL FIXED ASSETS ACCOUNT GROUP**

This account group is used to account for the fixed assets owned by the City, exclusive of infrastructure and those relating to proprietary fund operations. Assets were recorded at cost or at amounts considered by management to represent estimated historical cost. In accordance with generally accepted accounting principles for governmental units, depreciation is not required to be recorded on general fixed assets.

## Exhibit H-1

## Schedule of General Fixed Assets by Source

June 30, 2000 and 1999

(in thousands)

	<u>2000</u>	<u>1999</u>
<b>General fixed assets:</b>		
Land and Buildings.....	\$ 623,780	\$ 615,880
Furniture and Fixtures.....	35,953	35,110
Vehicles and Maintenance Equipment.....	93,847	91,098
Machinery and Equipment.....	94,108	84,136
Total general fixed assets.....	<u>\$ 847,688</u>	<u>\$ 826,224</u>
<b>Investment in general fixed assets from:</b>		
Acquisitions on or prior to June 30, 1993 <sup>(1)</sup> .....	\$ 525,900	\$ 537,511
General Fund.....	102,106	96,237
Special Revenue Fund.....	11,255	7,718
Capital Projects Fund.....	124,609	112,119
Capital Lease Obligations.....	83,818	72,639
Total investment in general fixed assets.....	<u>\$ 847,688</u>	<u>\$ 826,224</u>

(1) It is not practicable to determine the historical sources of general fixed assets acquired prior to June 30, 1993.

## Exhibit H-2

## Schedule of General Fixed Assets by Function and Activity

June 30, 2000

(in thousands)

Function and Activity	Land and Buildings	Furniture and Fixtures	Vehicles and Maintenance Equipment	Machinery and Equipment	Total
<b>GENERAL GOVERNMENT</b>					
Mayor's Office.....	\$ -	\$ 153	\$ 77	\$ 321	\$ 551
City Council.....	-	80	-	290	370
Consumer Affairs and Licensing.....	-	17	-	32	49
Office of Community Partnerships.....	-	20	37	63	120
Election Department.....	-	52	136	5,545	5,733
Boston 2-6.....	-	7	-	21	28
Auditing Department.....	-	219	-	319	538
Assessing Department.....	-	147	208	413	768
Treasury Department.....	-	104	-	554	658
Office of Budget Management.....	-	171	5	113	289
Office of Civil Rights.....	-	35	-	2,441	2,476
Human Resources.....	-	99	-	130	229
Purchasing Division.....	-	57	-	382	439
Office of Chief Operating Officer.....	-	14	16	43	73
Graphic Arts.....	-	22	18	913	953
Office of Labor Relations.....	-	19	1	64	84
Health Insurance Division.....	-	29	-	34	63
Management Information System.....	-	127	32	7,624	7,783
Intergovernmental Relations.....	-	11	-	28	39
Law Department.....	-	105	20	222	347
Environment Department.....	-	58	-	98	156
Worker's Compensation Division.....	-	41	-	91	132
Minority\Women's Business Ent.....	-	20	-	72	92
Office of New Bostonians.....	-	8	-	28	36
City Clerk.....	-	42	-	107	149
Registry Division.....	-	28	-	44	72
Finance Commission.....	-	12	-	11	23
Fair Housing Commission.....	-	47	-	104	151
Emergency Shelter Commission.....	-	7	-	23	30
Taxpayer Referral.....	-	8	-	35	43
Women's Commission.....	-	8	-	18	26
Press Office.....	-	14	5	61	80
Neighborhood Services.....	-	40	28	69	137
Office of Special Events & Tourism.....	-	16	29	25	70
Business and Cultural Development.....	-	16	-	51	67
Total General Government.....	-	1,853	612	20,389	22,854

(continued)



## Exhibit H-2 (continued)

## Schedule of General Fixed Assets by Function and Activity

June 30, 2000

(in thousands)

Function and Activity	Land and Buildings	Furniture and Fixtures	Vehicles and Maintenance Equipment	Machinery and Equipment	Total
<b>HUMAN SERVICES</b>					
Rent Equity Board.....	-	61	-	50	111
Elderly Commission.....	-	58	1,021	120	1,199
Veterans Services Department.....	-	49	-	59	108
Total Human Services.....	-	168	1,021	229	1,418
<b>PUBLIC SAFETY</b>					
Police Department.....	73,139	1,125	22,246	18,186	114,696
Fire Department.....	24,842	884	24,483	3,934	54,143
Transportation - Traffic Division.....	-	278	2,993	497	3,768
Transportation - Parking Clerk.....	-	70	-	373	443
Transportation Central Artery Tunnel.....	-	20	686	88	794
Licensing Board.....	-	33	-	36	69
Inspectional Services Department.....	-	359	716	1,094	2,169
Youth Fund.....	-	7	104	49	160
Total Public Safety.....	97,981	2,776	51,228	24,257	176,242
<b>PUBLIC WORKS</b>					
Public Works Department.....	5,806	353	9,811	2,077	18,047
<b>PROPERTY AND DEVELOPMENT</b>					
Property Management.....	34,202	137	1,532	772	36,643
Public Facilities Department.....	13,310	2,910	983	3,338	20,541
Total Property and Development.....	47,512	3,047	2,515	4,110	57,184
<b>PARKS AND RECREATION</b>					
Parks and Recreation Department.....	3,715	160	3,920	733	8,528
<b>LIBRARY</b>					
Library Department.....	19,033	1,721	40	2,989	23,783
<b>SCHOOLS</b>					
General School Purposes.....	449,733	24,796	23,099	36,308	533,936
<b>COUNTY</b>					
Suffolk County Jails.....	-	263	1,032	1,118	2,413
Suffolk County House of Corrections.....	-	816	569	1,898	3,283
Total County.....	-	1,079	1,601	3,016	5,696
Total General Fixed Assets.....	\$ 623,780	\$ 35,953	\$ 93,847	\$ 94,108	\$ 847,688

## Exhibit H-3

**Schedule of Changes in General Fixed Assets by Function and Activity**  
**Year Ended June 30, 2000**  
(in thousands)

Function and Activity	General Fixed Assets July 1, 1999	Additions	Deletions	General Fixed Assets June 30, 2000
<b>GENERAL GOVERNMENT</b>				
Mayor's Office.....	\$ 496	\$ 74	\$ 19	\$ 551
City Council.....	354	25	9	370
Consumer Affairs and Licensing.....	46	4	1	49
Office of Community Partnerships.....	78	54	12	120
Election Department.....	5,717	45	29	5,733
Boston 2-6 Program.....	28	-	-	28
Auditing Department.....	319	221	2	538
Assessing Department.....	890	91	213	768
Treasury Department.....	652	15	9	658
Office of Budget Management.....	295	5	11	289
Office of Civil Rights.....	-	2,476	-	2,476
Human Resources.....	242	11	24	229
Purchasing Division.....	291	151	3	439
Office of Chief Operating Officer.....	53	24	4	73
Graphic Arts.....	1,232	22	301	953
Office of Labor Relations.....	78	12	6	84
Health Insurance Division.....	76	-	13	63
Management Information System.....	9,438	249	1,904	7,783
Intergovernmental Relations.....	40	13	14	39
Law Department.....	378	103	134	347
Environment Department.....	156	18	18	156
Worker's Compensation Division.....	142	4	14	132
Minority\Women's Business Ent.....	86	8	2	92
Office of New Bostonians.....	26	10	-	36
City Clerk.....	123	28	2	149
Registry Division.....	68	10	6	72
Finance Commission.....	26	-	3	23
Fair Housing Commission.....	165	-	14	151
Emergency Shelter Commission.....	58	-	28	30
Taxpayer Referral.....	45	2	4	43
Women's Commission.....	21	7	2	26
Press Office.....	34	69	23	80
Neighborhood Services.....	127	14	4	137
Office of Special Events/Tourism.....	70	-	-	70
Business and Cultural Development	52	15	-	67
Total General Government.....	21,902	3,780	2,828	22,854

(continued)

Exhibit H-3 (continued)

Schedule of Changes in General Fixed Assets by Function and Activity  
Year Ended June 30, 2000  
(in thousands)

Function and Activity	General Fixed Assets July 1, 1999	Additions	Deletions	General Fixed Assets June 30, 2000
<b>HUMAN SERVICES</b>				
Rent Equity Board.....	123	10	22	111
Elderly Commission.....	1,172	132	105	1,199
Veterans Services Department.....	110	26	28	108
Total Human Services.....	1,405	168	155	1,418
<b>PUBLIC SAFETY</b>				
Police Department.....	108,930	8,012	2,246	114,696
Fire Department.....	53,831	603	291	54,143
Transportation - Traffic Division.....	3,515	312	59	3,768
Transportation - Parking Clerk.....	409	34	-	443
Transportation Central Artery Tunnel.....	102	696	4	794
Licensing Board.....	69	-	-	69
Inspectional Services Department.....	2,011	202	44	2,169
Youth Fund.....	70	131	41	160
Total Public Safety.....	168,937	9,990	2,685	176,242
<b>PUBLIC WORKS</b>				
Public Works Department.....	16,321	2,473	747	18,047
<b>PROPERTY AND DEVELOPMENT</b>				
Property Management.....	36,358	441	156	36,643
Public Facilities Department.....	20,368	678	505	20,541
Total Property and Development.....	56,726	1,119	661	57,184
<b>PARKS AND RECREATION</b>				
Parks and Recreation Department.....	7,939	753	164	8,528
<b>LIBRARY</b>				
Library Department.....	18,120	6,086	423	23,783
<b>SCHOOLS</b>				
General School Purposes.....	529,540	7,643	3,247	533,936
<b>COUNTY</b>				
Suffolk County Jail.....	3,048	65	700	2,413
Suffolk County - House of Corrections.....	2,286	998	1	3,283
Total County.....	5,334	1,063	701	5,696
Total General Fixed Assets.....	\$ 826,224	\$ 33,075	\$ 11,611	\$ 847,688



# STATISTICAL SECTION

Includes ten-year data for revenues, expenditures, taxes, debt ratios and certain supplemental statistical information.



*Paul Revere House*





## **STATISTICAL INFORMATION**

Table-1

General Government Expenditures by Function (GAAP Basis) <sup>(1)</sup>

Last Ten Fiscal Years

(in thousands )

<u>Function</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
<b>General Government</b>	\$ 65,132	\$ 54,283	\$ 43,850	\$ 55,358	\$ 44,060
% of Total	4.2	3.7	3.3	4.3	3.6
% Change	20.0	23.8	(20.8)	25.6	24.7
<b>Public Safety</b>	\$ 358,855	\$ 353,118	\$ 322,190	\$ 292,935	\$ 279,098
% of Total	23.4	24.2	23.9	22.6	22.5
% Change	1.6	9.6	10.0	5.0	3.7
<b>Public Works</b>	\$ 69,689	\$ 70,019	\$ 60,163	\$ 55,843	\$ 60,700
% of Total	4.5	4.8	4.5	4.3	4.9
% Change	(0.5)	16.4	7.7	(8.0)	15.7
<b>Libraries</b>	\$ 27,792	\$ 27,441	\$ 24,468	\$ 24,014	\$ 23,412
% of Total	1.8	1.9	1.8	1.8	1.9
% Change	1.3	12.2	1.9	2.6	5.1
<b>Schools</b>	\$ 578,583	\$ 537,585	\$ 505,795	\$ 478,659	\$ 453,572
% of Total	37.7	36.8	37.5	36.9	36.7
% Change	7.6	6.3	5.7	5.5	7.4
<b>Retirement Cost</b>	\$ 96,019	\$ 83,341	\$ 75,382	\$ 72,299	\$ 68,068
% of Total	6.3	5.7	5.6	5.6	5.5
% Change	15.2	10.6	4.3	6.2	(0.2)
<b>Employee Benefits</b>	\$ 86,221	\$ 84,493	\$ 76,279	\$ 75,693	\$ 67,989
% of Total	5.6	5.8	5.7	5.8	5.5
% Change	2.0	10.8	0.8	11.3	2.5
<b>State &amp; District Assessments</b>	\$ 66,995	\$ 65,569	\$ 64,187	\$ 62,457	\$ 61,600
% of Total	4.4	4.5	4.8	4.8	5.0
% Change	2.2	2.2	2.8	1.4	2.5
<b>County</b>	\$ 5,861	\$ 7,362	\$ 8,267	\$ 7,657	\$ 9,592
% of Total	0.4	0.5	0.6	0.6	0.8
% Change	(20.4)	(10.9)	8.0	(20.2)	(33.9)
<b>Property &amp; Development</b>	\$ 35,230	\$ 31,805	\$ 31,934	\$ 30,519	\$ 26,103
% of Total	2.3	2.2	2.4	2.4	2.1
% Change	10.8	(0.4)	4.6	16.9	13.1
<b>Other <sup>(2)</sup></b>	\$ 145,881	\$ 144,534	\$ 133,259	\$ 141,970	\$ 141,728
% of Total	9.5	9.9	9.9	10.9	11.5
% Change	0.9	8.5	(6.1)	0.2	(19.4)
<b>Total Expenditures</b>	\$ 1,536,258	\$ 1,459,550	\$ 1,345,774	\$ 1,297,404	\$ 1,235,922
% of Total	100.0	100.0	100.0	100.0	100.0
% Change	5.3	8.5	3.7	5.0	2.2

(1) Includes General Fund expenditures only. Operating Transfers Out have been excluded from all years.

(2) Includes: Parks, Human Services, Judgments and Claims, Operating Subsidy to Department of Health and Hospitals, Capital Outlays and Debt Service.

(3) The 1995 increase of 18.3% is mainly due to the restatement of Operating Subsidy to Department of Health and Hospitals from Other Financing Sources to Expenditures.

	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>Function</u>
\$	35,342	\$ 35,595	\$ 35,886	\$ 38,825	\$ 44,140	<b>General Government</b>
	2.9	3.5	3.7	3.8	4.2	% of Total
	(0.7)	(0.8)	(7.6)	(12.0)	0.9	% Change
\$	269,189	\$ 252,668	\$ 235,421	\$ 238,625	\$ 235,351	<b>Public Safety</b>
	22.3	24.7	24.0	23.6	22.5	% of Total
	6.5	7.3	(1.3)	1.4	(0.6)	% Change
\$	52,466	\$ 59,481	\$ 53,864	\$ 52,862	\$ 64,226	<b>Public Works</b>
	4.3	5.8	5.5	5.2	6.1	% of Total
	(11.8)	10.4	1.9	(17.7)	(2.6)	% Change
\$	22,276	\$ 21,436	\$ 21,028	\$ 20,567	\$ 21,814	<b>Libraries</b>
	1.8	2.1	2.1	2.0	2.1	% of Total
	3.9	1.9	2.2	(5.7)	(0.4)	% Change
\$	422,359	\$ 405,372	\$ 370,832	\$ 387,438	\$ 396,266	<b>Schools</b>
	34.9	39.6	37.8	38.2	37.9	% of Total
	4.2	9.3	(4.3)	(2.2)	11.1	% Change
\$	68,230	\$ 59,502	\$ 81,499	\$ 74,921	\$ 78,994	<b>Retirement Cost</b>
	5.6	5.8	8.3	7.4	7.6	% of Total
	14.7	(27.0)	8.8	(5.2)	(12.2)	% Change
\$	66,348	\$ 71,175	\$ 68,216	\$ 66,366	\$ 65,836	<b>Employee Benefits</b>
	5.5	7.0	7.0	6.6	6.3	% of Total
	(6.8)	4.3	2.8	0.8	13.8	% Change
\$	60,080	\$ 58,272	\$ 55,163	\$ 52,407	\$ 51,343	<b>State &amp; District Assessments</b>
	5.0	5.7	5.6	5.2	4.9	% of Total
	3.1	5.6	5.3	2.1	2.1	% Change
\$	14,521	\$ 10,511	\$ 11,096	\$ 31,673	\$ 30,728	<b>County</b>
	1.2	1.0	1.1	3.1	2.9	% of Total
	38.2	(5.3)	(65.0)	3.1	13.4	% Change
\$	23,087	\$ 21,528	\$ 21,543	\$ 22,102	\$ 25,700	<b>Property &amp; Development</b>
	1.9	2.1	2.2	2.2	2.5	% of Total
	7.2	(0.1)	(2.5)	(14.0)	(7.4)	% Change
\$	175,948	\$ 27,403	\$ 26,696	\$ 27,765	\$ 31,161	<b>Other <sup>(2)</sup></b>
	14.6	2.7	2.7	2.7	3.0	% of Total
	542.1	2.6	(3.9)	(10.9)	(7.9)	% Change
\$	<u>1,209,846</u>	\$ <u>1,022,943</u>	\$ <u>981,244</u>	\$ <u>1,013,551</u>	\$ <u>1,045,559</u>	<b>Total Expenditures</b>
	100.0	100.0	100.0	100.0	100.0	% of Total
	18.3 <sup>(3)</sup>	4.2	(3.2)	(3.1)	3.3	% Change



Table-2

General Government Revenues by Source (GAAP Basis) <sup>(1)</sup>

Last Ten Fiscal Years  
(in thousands)

<u>Source</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
<b>Property Taxes</b>	\$ 869,295	\$ 792,569	\$ 754,561	\$ 720,577	\$ 687,404
% of Total	53.6	51.9	52.8	53.4	53.4
% Change	9.7	5.0	4.7	4.8	5.0
<b>Motor Vehicle Excises</b>	\$ 36,700	\$ 33,095	\$ 32,341	\$ 30,276	\$ 27,641
% of Total	2.3	2.2	2.3	2.2	2.2
% Change	10.9	2.3	6.8	9.5	12.9
<b>Other Excises <sup>(2)</sup></b>	\$ 31,956	\$ 35,143	\$ 34,900	\$ 33,263	\$ 29,698
% of Total	2.0	2.3	2.4	2.5	2.3
% Change	(9.1)	0.7	4.9	12.0	5.0
<b>Departmental &amp; Other</b>	\$ 45,490	\$ 56,415	\$ 50,241	\$ 47,968	\$ 42,724
% of Total	2.8	3.7	3.5	3.6	3.3
% Change	(19.4)	12.3	4.7	12.3	14.3
<b>State Distributions</b>	\$ 475,813	\$ 456,958	\$ 414,778	\$ 380,440	\$ 360,020
% of Total	29.3	29.9	29.0	28.2	28.0
% Change	4.1	10.2	9.0	5.7	4.0
<b>Payment in Lieu of Taxes</b>	\$ 56,423	\$ 63,022	\$ 56,224	\$ 52,337	\$ 49,540
% of Total	3.5	4.1	3.9	3.9	3.8
% Change	(10.5)	12.1	7.4	5.6	3.8
<b>Fines</b>	\$ 57,709	\$ 47,693	\$ 46,292	\$ 48,798	\$ 47,373
% of Total	3.6	3.1	3.2	3.6	3.7
% Change	21.0	3.0	(5.1)	3.0	(5.4)
<b>Investment Income</b>	\$ 19,255	\$ 17,884	\$ 18,526	\$ 16,588	\$ 22,925
% of Total	1.2	1.2	1.3	1.2	1.8
% Change	7.7	(3.5)	11.7	(27.6)	76.2
<b>Licenses &amp; Permits</b>	\$ 28,892	\$ 24,010	\$ 21,833	\$ 19,009	\$ 19,970
% of Total	1.8	1.6	1.6	1.4	1.5
% Change	20.3	10.0	14.9	(4.8)	31.8
<b>Total Revenues</b>	\$ 1,621,533	\$ 1,526,789	\$ 1,429,696	\$ 1,349,256	\$ 1,287,295
% of Total	100.0	100.0	100.0	100.0	100.0
% Change	6.2	6.8	6.0	4.8	5.8

(1) Includes only revenues recorded in the General Fund. Operating Transfers In have been excluded from all years.

(2) Other excise taxes are comprised of Hotel/Motel and Aircraft Fuel excises taxes.

**City of Boston, Massachusetts**

<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>Source</u>
\$ 654,830	\$ 612,460	\$ 586,532	\$ 564,165	\$ 530,163	<b>Property Taxes</b>
53.8	53.2	53.0	51.1	47.5	% of Total
6.9	4.4	4.0	6.4	11.1	% Change
\$ 24,476	\$ 21,704	\$ 30,146	\$ 18,972	\$ 19,021	<b>Motor Vehicle Excises</b>
2.0	1.9	2.7	1.7	1.7	% of Total
12.8	(28.0)	58.9	(0.3)	(29.8)	% Change
\$ 28,297	\$ 27,607	\$ 25,451	\$ 24,516	\$ 27,920	<b>Other Excises <sup>(2)</sup></b>
2.3	2.4	2.3	2.2	2.5	% of Total
2.5	8.5	3.8	(12.2)	32.6	% Change
\$ 37,386	\$ 35,338	\$ 33,066	\$ 30,829	\$ 36,406	<b>Departmental &amp; Other</b>
3.1	3.1	3.0	2.8	3.3	% of Total
5.8	6.9	7.3	(15.3)	(19.2)	% Change
\$ 346,317	\$ 331,431	\$ 305,908	\$ 327,330	\$ 369,819	<b>State Distributions</b>
28.4	28.7	27.6	29.6	33.1	% of Total
4.5	8.3	(6.5)	(11.5)	(11.9)	% Change
\$ 47,729	\$ 48,083	\$ 49,115	\$ 63,952	\$ 51,377	<b>Payment in Lieu of Taxes</b>
3.9	4.4	4.4	5.8	4.6	% of Total
(0.7)	(2.1)	(23.2)	24.5	(4.1)	% Change
\$ 50,086	\$ 47,252	\$ 51,157	\$ 48,724	\$ 52,304	<b>Fines</b>
4.1	4.0	4.6	4.4	4.7	% of Total
6.0	(7.6)	5.0	(6.8)	19.2	% Change
\$ 13,010	\$ 10,752	\$ 8,755	\$ 10,167	\$ 15,902	<b>Investment Income</b>
1.1	0.9	0.8	0.9	1.4	% of Total
21.0	22.8	(13.9)	(36.1)	(6.0)	% Change
\$ 15,152	\$ 16,839	\$ 16,353	\$ 16,057	\$ 13,492	<b>Licenses &amp; Permits</b>
1.3	1.4	1.6	1.5	1.2	% of Total
(10.0)	3.0	1.8	19.0	(4.1)	% Change
<u>\$ 1,217,283</u>	<u>\$ 1,151,466</u>	<u>\$ 1,106,483</u>	<u>\$ 1,104,712</u>	<u>\$ 1,116,404</u>	<b>Total Revenues</b>
100.0	100.0	100.0	100.0	100.0	% of Total
5.7	4.1	0.2	(1.0)	(0.2)	% Change

**Table-3**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(In Millions of \$)**

Fiscal Year	Tax Levy			Tax Levy Collected Within Year of Levy			Tax Levy Net of Refunds Collected as of June 30, 2000			All Taxes Collected in Fiscal Year (1)	
	Gross(2)	Net	Net % Gross	Gross Amount	% Gross Levy	% Net Levy	Gross Levy	% Gross Levy	% Net Levy	Net Amount	Net Amount
2000	\$ 866.2	\$ 823.9	95.1%	\$ 854.8	98.7%	103.8%	\$ 847.4	97.8%	102.9%	\$ 849.4	\$ 849.4
1999	822.4	779.7	94.8%	801.4	97.4%	102.8%	798.2	97.1%	102.4%	800.9	800.9
1998	782.2	745.2	95.3%	763.6	97.6%	102.5%	758.9	97.0%	101.8%	762.6	762.6
1997	749.6	711.6	95.3%	728.6	97.5%	102.4%	721.2	96.6%	101.3%	734.5	734.5
1996	719.9	683.1	94.9%	695.6	96.6%	101.8%	683.0	94.9%	100.0%	692.2	692.2
1995	693.4	658.5	95.0%	666.7	96.1%	101.2%	648.1	93.5%	98.4%	678.6	678.6
1994	663.0	628.0	94.7%	631.9	95.3%	100.6%	614.2	92.6%	97.8%	632.4	632.4
1993	627.4	593.4	94.6%	594.3	94.7%	100.2%	574.7	91.6%	96.8%	607.8	607.8
1992	587.0	559.2	95.3%	554.1	94.4%	99.1%	530.6	90.4%	94.9%	558.5	558.5
1991	555.6	529.2	95.2%	517.8	93.2%	97.8%	495.4	89.2%	93.6%	527.4	527.4

(1) Includes the total amount of taxes (current levy, prior levies, and tax titles), net of refunds, collected during each fiscal year since 1987.

(2) Includes omitted assessments assessed in all fiscal years and assessments for delinquent water and sewer bills of \$3.4 million, \$2.7 million, \$2.3 million and \$ 3.6 million added to tax levy in fiscal years 1995, 1994, 1993 and 1992, respectively. Water and sewer bills are rendered by the Boston Water and Sewer Commission; commencing in fiscal year 1992 certain delinquent charges were added to City tax bills.

Source: City of Boston Treasury Department

**Table-4**  
**Assessed and Estimated Actual Value of All Taxable Property**  
 (in thousands)  
 Last Ten Fiscal Years

Fiscal Year	Real Property <sup>(1)</sup>		Personal Property		Total Assessed Value <sup>(2)</sup>	Per Capita	Population <sup>(3)</sup>
	Assessed Value	Per Capita	Assessed Value	Per Capita			
2000	\$ 37,283,474	\$ 67,177	\$ 2,647,445	\$ 4,770	\$ 39,930,919	\$ 71,947	555
1999	31,508,491	56,467	2,298,778	4,120	33,807,269	60,587	558
1998	29,444,968	52,769	2,224,214	3,986	31,669,182	56,755	558
1997	26,848,842	46,434	2,205,506	3,950	29,054,348	52,032	558
1996	25,432,925	46,434	2,086,187	3,809	27,519,112	50,243	548
1995	24,216,973	42,169	2,062,605	3,592	26,279,578	45,761	574
1994	23,215,458	40,425	1,809,288	3,151	25,024,746	43,576	574
1993	23,769,097	41,389	1,744,726	3,038	25,513,823	44,427	574
1992	26,338,862	45,864	1,519,099	2,645	27,857,961	48,509	574
1991	32,828,943	57,165	1,336,554	2,327	34,165,497	59,492	574

(1) Exempt residential properties not included.

(2) The assessed valuation of taxable property reflects 100% of the full and fair cash value.

(3) Population estimates are from U.S. Department of Commerce, Bureau of the Census.

Source: City of Boston Assessing Department



Table-5

**Property Tax Rates**  
**Direct and Overlapping Governments <sup>(1)</sup>**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Class</b>	<b>Schools</b>	<b>City General</b>	<b>Total</b>	<b>% Change</b>
2000	Residential	-	\$ 13.15	\$ 13.15	(0.2) %
	C.I.P.	-	\$ 34.21	\$ 34.21	(0.8) %
1999	Residential	-	\$ 13.44	\$ 13.44	(0.2) %
	C.I.P.	-	37.04	37.04	(3.7) %
1998	Residential	-	13.47	13.47	(1.9) %
	C.I.P.	-	38.45	38.45	(7.3) %
1997	Residential	-	13.73	13.73	(0.4) %
	C.I.P.	-	41.50	41.50	(2.6) %
1996	Residential	-	13.78	13.78	(0.6) %
	C.I.P.	-	42.59	42.59	(0.2) %
1995	Residential	-	13.86	13.86	(0.8) %
	C.I.P.	-	42.66	42.66	(0.1) %
1994	Residential	-	13.97	13.97	8.5 %
	C.I.P.	-	42.72	42.72	6.8 %
1993 <sup>(2)</sup>	Residential	-	12.88	12.88	15.2 %
	C.I.P.	-	39.99	39.99	16.7 %
1992	Residential	\$ 5.97	5.21	11.18	25.2 %
	C.I.P.	18.30	15.97	34.27	36.6 %
1991	Residential	4.00	4.93	8.93	5.7 %
	C.I.P.	15.00	10.09	25.09	4.9 %

(1) Real and personal property tax rates are per \$1,000 of assessed value.

(2) Beginning with Fiscal Year 1993 City and Schools rates are combined.

C.I.P. = Commercial, Industrial and Personal Property.

Source: City of Boston Assessing Department

Table-6

Computation of Legal Debt Margin  
(in thousands)  
June 30, 2000

Equalized Valuation as of June 30, 1999 <sup>(1)</sup> .....	35,853,363	
	2.5%	5.0%
Maximum debt limits as of July 1, 2000.....	\$ 896,334	\$ 1,792,668
Additional Debt Capacity <sup>(2)</sup> .....	100,000	(100,000)
	996,334	1,692,668
Less: Debt outstanding June 30, 1999 <sup>(3)</sup> .....	(463,510)	(463,510)
Less: Debt authorized but unissued June 30, 1999 <sup>(4)</sup> .....	(332,751)	(332,751)
Debt incurring capacity as of July 1, 1999.....	200,073	896,407
Add: Debt redeemed during fiscal 2000.....	48,047	48,047
Less: City council authorizations during fiscal 2000.....	(70,231)	(70,231)
Debt incurring capacity as of June 30, 2000.....	\$ 177,889	\$ 874,223

(1) Includes the value of Chapter 121A tax agreement properties.

(2) The Commonwealth's Emergency Finance Board approved \$100 million of debt capacity from the Double Debt Limit on December 10, 1997.

(3) The laws of the Commonwealth of Massachusetts provide for general debt limits for the City, consisting of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit is 2.5% of the assessed valuation of taxable property in the City as last equalized by the State Department of Revenue, and may authorize debt up to this limit without State approval. The City can also authorize debt up to twice this amount (the Double Debt Limit) with the approval of the State Emergency Finance Board.

(4) The debt authorized but unissued as of June 30, 1999 and City Council authorizations during fiscal 1999 are reported for purposes of the computation of legal debt margin within the Normal Debt Limit.

Table-7  
Ratio of Net General Obligation Bonded Debt to Assessed Value  
and Net Bonded Debt Per Capita  
(in thousands)  
Last Ten Fiscal Years

Fiscal Year	Population <sup>(1)</sup>	Assessed Value <sup>(2)(a)</sup>	Gross Bonded Debt <sup>(3)</sup>	Less: Self- Supporting Debt		Less: Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2000	555	\$ 37,497,445	\$ 763,880	-	\$ -	-	\$ 763,880	2.0%	1,376.4
1999	558	33,807,269	711,020	50	-	-	710,970	2.1%	1,274.1
1998	558	31,669,182	654,520	100	-	-	654,420	2.1%	1,172.8
1997	558	29,054,348	602,225	150	-	-	602,075	2.1%	1,079.0
1996	548	27,519,112	566,745	200	-	-	566,545	2.1%	1,033.8
1995	574	26,279,578	545,355	335	-	(5)	545,020	2.1%	949.5
1994	574	25,024,740	528,660	530	4,446	4,446	523,684	2.1%	912.3
1993	574	25,513,823	524,480	5,050	4,680	4,680	514,750	2.0%	896.8
1992	574	27,857,962	566,225	6,680	5,948	5,948	553,597	2.0%	964.5
1991	574	34,165,497	548,690	8,920	7,790	7,790	531,980	1.6%	926.8

(1) Population estimates are from Bureau of the Census.

(2) The assessed valuation of taxable property reflects 100% of the full and fair cash value.

(2a) Exempt residential properties not included.

(3) Self-supporting proprietary debt and certain notes payable are not included.

(4) The Funding Loan Act of 1982 Bonds which were outstanding as of June 30, 1989, in the amount of \$30.2 million were redeemed in full on July 1, 1989.

(5) The Debt Service Fund at the end of Fiscal Year 1995 was eliminated by a transfer to the General Fund of funds earmarked to extinguish the Rapid Transit Debt in Fiscal Year 1996.

Table-8

**Ratio of Annual Debt Service Expenditures for  
General Bonded Debt to Total General Government Expenditures<sup>(1)</sup>  
Last Ten Fiscal Years  
(GAAP Basis)  
(in thousands)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total <sup>(2)</sup> General Government Expenditures</u>	<u>Ratio of Debt Service to General Government Expenditures</u>
2000	\$ 67,140	\$ 34,258	\$ 101,398	\$ 1,536,258	6.6%
1999	63,500	35,209	98,709	1,459,550	6.8%
1998	57,574	31,857	89,431	1,345,774	6.6%
1997	54,505	32,944	87,449	1,297,404	6.7%
1996	53,595	32,189	85,784	1,235,922	6.9%
1995	53,291	29,305	82,596	1,209,846	6.8%
1994	57,410	31,861	89,271	1,022,943	8.7%
1993	53,585	34,463	88,048	981,244	9.0%
1992	53,180	32,812	85,992	1,013,551	8.5%
1991	50,579	32,317	82,896	1,045,559	7.9%

(1) Total principal and interest payments by the City is exclusive of Other Financing Sources.

(2) Operating Transfers Out have been excluded from all years.



Table-9

**Computation of Direct and Overlapping Debt**  
(in thousands)  
June 30, 2000

<b>Boston's Direct Debt</b>	<b>Gross Bonded Debt <sup>(1)</sup></b>	<b>Payable from Related Revenues <sup>(2)</sup></b>	<b>Net Bonded Debt</b>
Issued for the Purpose of:			
Acquisition of Land; Parks/Playgrounds.....	\$ 46,011	\$ -	\$ 46,011
Acquisition of Land; Landfill.....	332	-	332
Engineering & Architectural Services.....	1,447	-	1,447
Automatic Traffic Control Signals.....	3,904	-	3,904
Departmental Equipment.....	41,480	-	41,480
Remodeling and Repairs.....	222,387	26,384	196,003
Economic Development.....	9,306	-	9,306
Parking Facilities.....	78	-	78
State Urban Development - Relocation.....	33,462	-	33,462
Schools.....	133,815	151,255	(17,440)
Public Buildings.....	183,698	-	183,698
Public Works.....	87,504	-	87,504
Acquisition of Land; Cemeteries.....	455	266	189
Sewer.....	-	50	(50)
<b>Total Direct Debt.....</b>	<b>\$ 763,879</b>	<b>\$ 177,955</b>	<b>\$ 585,924</b>
<b>Overlapping Debt</b>	<b>Principal Amount</b>	<b>% Applicable to Boston</b>	
Mass. Bay Transportation Authority.....	\$ 361,436	43.05%	155,598
<b>Total Direct and Overlapping Debt.....</b>			<b>\$ 741,522</b>

(1) Self-supporting proprietary debt and certain notes payable are not included.

(2) Includes revenues related to or derived from facilities for which the debt was incurred. Such revenues include; (i) the Boston Public Health Commission on account of general obligation debt attributable to project undertaken on behalf of the former department of Health and Hospitals; (ii) state grants for school construction assistance pursuant to the State's Construction Aid Project; (iii) cemetery receipts which are currently collected in the General Fund; (iv) payments from the Boston Water and Sewer Commission for debt service on outstanding sewer bonds.

Source: City of Boston Auditing Department and MBTA Treasurer-Controller.

Table - 10

**Property Value, Construction, Bank Deposits and Retail Sales**  
**Last Ten Fiscal Years**  
(in thousands )

Fiscal Year	Assessed Property Value <sup>(1)</sup>			Building Permit Revenues <sup>(2)</sup>	Bank Deposits <sup>(3)</sup>	Retail Sales <sup>(4)</sup>
	Residential <sup>(a)</sup>	Commercial, Industrial & Personal	Total			
2000	\$ 22,235,713	\$ 17,695,206	\$ 39,930,919	\$ 17,923	\$ N/A	\$ N/A
1999	18,344,118	15,463,151	33,807,269	11,404	52,949,000	N/A
1998	17,456,175	14,213,007	31,669,182	14,758	44,316,000	N/A
1997	16,437,252	12,617,096	29,054,348	9,200	48,301,000	4,255,687
1996	15,709,935	11,809,177	27,519,112	11,778	34,319,000	N/A
1995	14,970,450	11,309,128	26,279,578	7,629	33,993,000	N/A
1994	14,219,593	10,805,147	25,024,740	9,040	32,793,000	N/A
1993	14,593,960	10,919,863	25,513,823	8,832	32,085,774	N/A
1992	16,086,355	11,771,607	27,857,962	9,136	33,761,555	4,180,888
1991	18,696,975	15,468,522	34,165,497	6,689	36,701,266	N/A

(1) Source: City of Boston Assessing Department

(2) Source: City of Boston Auditing Department

(3) Source: Federal Reserve Bank / FDIC "Bank Deposits-All Banks" (Suffolk County)

(4) Source: U.S. Department of Commerce, Bureau of the Census, "Census of Retail Trade", 1992 and 1997 ( City of Boston).

(a) Note: Exempt residential properties not included.

N/A: not available.

**Table-11**  
**Largest Principal Taxpayers <sup>(1)</sup>**

Taxpayer	Type of Business	Personal Property <sup>(5)</sup>	Real Property	Total Assessed Value	% of Total Assessed Value	Fiscal 2000 Taxes
NSTAR	Utility	\$ 1,190,761,700	\$ 106,332,300	\$ 1,297,094,000	17.1%	\$ 40,833,785
Equity Office Properties	Real Estate	-	1,455,080,000	1,455,080,000	19.2%	32,389,276
John Hancock Mutual Life Insurance Co.	Insurance	-	560,159,000	560,159,000	7.4%	17,828,048
Prudential Insurance Company <sup>(2)</sup>	Insurance	-	831,550,000	831,550,000	10.9%	17,351,106
Fort Hill Associates	Real Estate	-	522,092,000	522,092,000	6.9%	15,277,830
Verizon <sup>(3)</sup>	Utility	294,776,300	118,976,400	413,752,700	5.4%	14,970,683
Massport <sup>(4)</sup>	State Authority	-	-	-	0.0%	10,378,559
UIDC of Massachusetts, Inc.	Real Estate	-	357,418,500	357,418,500	4.7%	10,358,514
One Twenty Five High Street	Real Estate	-	355,688,000	355,688,000	4.7%	10,222,966
Dewey Square Tower Associates	Real Estate	-	299,786,000	299,786,000	3.9%	9,343,284
Olympia & York State Street Co.	Real Estate	-	290,304,500	290,304,500	3.8%	8,839,040
Equitable Federal Street Realty Co.	Real Estate	-	262,745,500	262,745,500	3.5%	8,611,818
Clarence W. Peterson (One Federal Street)	Real Estate	-	232,500,500	232,500,500	3.1%	7,608,553
75 State Street	Real Estate	-	207,973,000	207,973,000	2.7%	6,647,865
Boston Gas Co.	Utility	171,572,000	22,816,500	194,388,500	2.6%	5,904,950
Acme-Premier	Real Estate	-	177,771,300	177,771,300	2.3%	5,176,484
Five Hundred Boylston West	Real Estate	-	139,395,500	139,395,500	1.8%	5,163,209
		<u>\$ 1,657,110,000</u>	<u>\$ 5,940,589,000</u>	<u>\$ 7,597,699,000</u>	<u>100.0%</u>	<u>\$ 226,905,970</u>

(1) This table is compiled through a literal search of the named owner or owners of all major parcels of property in the City. This methodology does not necessarily locate parcels owned by affiliates nor does it differentiate percentage of ownership in a particular parcel.

(2) Includes an estimated \$2,076,773 in-lieu-of tax payment received from a taxpayer constituted as an urban redevelopment corporation organized under Chapter 121A of the Massachusetts General Laws.

(3) Bell Atlantic is the owner of record of the property used to calculate these amounts. Bell Atlantic is now known as Verizon.

(4) This payment is an in-lieu-of tax payment, expressly permitted by statute and paid pursuant to a contract with the City.

(5) Pursuant to Chapter 59 of the General Laws, Section 4, personal property consists of movable physical items not permanently attached to real estate. Many items of personal property are exempt from taxation in Massachusetts. There are three general types of personal property that are taxable: business and professional furnishings; household furnishings in property other than the principal residence (for example, a summer house); and personal property of public utilities.

Source: City of Boston Assessing and Treasury Departments.

**Table 12****Boston's Largest Private Sector Employers**

American Airlines, Inc.	Gillette Company
Au Bon Pain Co., Inc.	Harvard Pilgrim Health Care
BankBoston Corp.	John Hancock Mutual Life Insurance
Bell Atlantic (Verizon)	Liberty Mutual Life Insurance Co.
Beth Israel/Deaconess Hospital	Liberty Financial Cos. Inc.
Blue Cross & Blue Shield of Massachusetts	Marriott International
Boston Edison Company	Massachusetts Eye & Ear Infirmary
The Boston Globe	Massachusetts General Hospital
Boston Medical Center	New England Medical Center Hospital
Boston University	Northeastern University
Brigham and Women's Hospital Inc.	Pricewaterhouse Coopers
Carney Hospital	Putnam Investments
Children's Hospital Medical Center	St. Elizabeth's Medical Center
Dana-Farber Cancer Institute	Star Market
Delta Airlines	State Street Bank & Trust Co.
Faulkner Hospital	Stone & Webster Engineering Corp.
Federal Reserve Bank of Boston	Stop & Shop
Filene's	Teradyne, Inc.
First Security Services Corp.	Thomson Financial Services
Fleet Bank of Massachusetts NA	USAirways
FMR Corporation (Fidelity Investments)	Visiting Nurses Association of Boston

Source: Survey by BRA/EDIC, conducted in 1997 - 1998.



Table-13

**Comparative Office Vacancy Rates  
20 Largest Downtown Office Markets  
As of June 30, 2000**

City	Vacancy Rate	City	Vacancy Rate
San Francisco	0.8 %	Denver	6.7 %
Boston	1.0	Baltimore	7.8
Seattle	1.0	San Diego	8.2
Manhattan, Midtown	1.9	Chicago	8.3
Oakland	3.2	Philadelphia	10.3
Manhattan, Downtown	3.6	Phoenix	10.5
Washington, D.C.	4.5	Kansas City	17.2
Atlanta	4.8	Los Angeles	17.8
Houston	5.9	Detroit	18.1
Minneapolis-St. Paul	6.2	Dallas-Fort Worth	24.2

National Average (1) 6.3%

(1) National average is based on 50 U.S. cities (downtowns) from the CB Richard Ellis Office Vacancy Index.

Table-14

**Building Permit Revenue and Estimated Construction Activity**  
(in thousands)  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Building Permit Revenue <sup>(1)</sup></u>	<u>Est. Potential Construction Activity <sup>(2)</sup></u>	<u>Est. Potential Construction Activity Adjusted For Inflation <sup>(3)</sup></u>
2000	\$ 17,923	\$ 2,108,547	\$ 2,108,547
1999	11,404	1,438,448	1,438,448
1998	14,758	1,736,200	1,765,610
1997	9,200	1,082,338	1,123,644
1996	11,778	1,385,606	1,487,263
1995	7,629	897,576	989,038
1994	9,040	1,063,524	1,205,465
1993	8,832	1,039,097	1,190,960
1992	9,136	1,074,848	1,279,091
1991	6,689	786,986	952,811
Total	<u>\$ 106,389</u>	<u>\$ 12,613,170</u>	<u>\$ 13,540,877</u>
Annual Average 1991-2000	<u>\$ 10,639</u>	<u>\$ 1,261,317</u>	<u>\$ 1,354,088</u>

(1) Building permit revenue in current dollars.

(2) Construction activity estimated by dividing permit revenues by 0.85%, which is the midpoint between permit fees calculated at 0.7% of the first \$100,000 and 1% for the remainder of development cost.

(3) Estimated potential construction activity adjusted to January 1999 constant dollars (CPI-U).

Source: City of Boston, Auditing Department, City of Boston Annual Reports and Boston Redevelopment Authority, Policy Development and Research Department.

Table-15

**Employment Trends by Industry**  
Last Five Calendar Years

Industry	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>% Change 1995-1997</u>	<u>1998</u>	<u>1999</u>	<u>% Change 1998-1999</u>
Fishing, Mining, Agriculture	1,136	1,188	1,264	11.3%	1,299	1,781	37.1%
Construction	13,162	12,928	13,678	3.9%	15,811	19,715	24.7%
Manufacturing	29,014	29,039	28,425	-2.0%	29,502	28,244	-4.3%
Transportation/Comm./Utilities	36,389	36,059	36,767	1.0%	36,800	36,753	-0.1%
Retail and Wholesale Trade	77,192	78,566	78,952	2.3%	81,441	82,865	1.7%
Finance/Insurance/Real Estate	93,730	97,168	101,257	8.0%	104,352	107,959	3.5%
Services	273,815	280,618	288,866	5.5%	296,767	312,157	5.2%
Government	92,040	88,984	89,310	-3.0%	90,857	93,363	2.8%
Total	<u>616,478</u>	<u>624,550</u>	<u>638,519</u>	<u>3.6%</u>	<u>656,829</u>	<u>682,837</u>	<u>4.0%</u>

Figures for 1995 to 1998 are based on U.S. Bureau of Economic Analysis Series for Suffolk County, June 2000, Revised Series (BEA Series), pro-rated to Boston geography). Data for 1999 and 2000 is based on Massachusetts Department of Employment and Training ES-202 series (this series represents payroll jobs covered by the unemployment security system). These Boston employment data are used to derive an equivalent 1999 and 2000 BEA series (for all jobs, full and part-time).

Table-16

**Annual Unemployment Rates**  
Last Ten Fiscal Years

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>June <sup>(1)</sup> 2000</u>
City	8.4 %	8.0 %	6.6 %	5.8 %	5.4 %	4.5 %	4.2 %	3.9 %	3.1 %	3.3 %
Boston PMSA <sup>(2)</sup>	7.8	7.5	6.0	5.2	4.7	3.7	3.4	3.0	2.5	2.9
Massachusetts	9.1	8.6	6.9	6.0	5.4	4.3	4.0	3.5	3.1	3.2
New England	8.0	8.1	6.8	5.9	5.4	4.8	4.4	3.6	3.3	2.8
United States	6.8	7.5	6.9	6.1	5.6	5.4	4.9	4.7	4.4	3.9

(1) Monthly rates are not seasonally adjusted. Most recent data are preliminary and subject to revision.

(2) Primary Metropolitan Statistical Area, consisting of the City and 129 contiguous municipalities, with a population of approximately 3.2 million in 1990 according to the U.S. Census data.

Sources: U.S. Bureau of Labor Statistics for the United States, New England and Massachusetts, and  
The Massachusetts Division of Employment and Training.



Table - 17

**GENERAL INFORMATION**

**CITY GOVERNMENT**

Date of incorporation.....	1822
Present charter first adopted.....	1909
Form of government.....	Mayor./ City Council

**GEOGRAPHICAL DATA**

Altitude.....	28 feet above sea level
Area (square miles):	
Land.....	43.2
Water.....	2.2
Climate:	
Annual average temperature.....	51.3
March 2000 average temperature .....	38.6
June 2000 average temperature .....	67.7
Rainfall in inches as of Nov. 2000.....	37.5

**ELECTIONS**

Registered voters as of Nov.2000.....	259,805
% voted in last election (Presidential).....	72.4

**CITY EMPLOYEES**

Total number of employees.....	18,058
City and county.....	8,958
School department.....	7,600
External.....	1,500

**FIRE PROTECTION**

Officers and personnel.....	1,733
Stations.....	34
Calls answered.....	64,423
Inspections conducted.....	9,324

**POLICE PROTECTION**

Officers and personnel.....	3,024
Stations.....	11
Service calls answered.....	502,528
Moving/traffic Violations.....	161,894
Parking violations as of 9/30/00.....	1,284,982

**HOSPITALS**

Number of hospitals.....	12
Patient beds.....	3,919
Births as of Nov.9, 2000.....	18,604
Deaths as of Nov.9, 2000.....	6,575

**LIBRARY**

Personnel full-time.....	498
Personnel part-time.....	148
Central and branch libraries.....	26
Mobile units.....	1
Books, audio and video materials, newspapers and magazines in circulation.....	6,100,000
Library cards in force.....	500,000

**PUBLIC EDUCATION**

Student enrollment.....	63,804
Teachers and other certified employees.....	8,230
Total number of schools.....	125

**STREETS, SIDEWALKS AND BRIDGES**

Streets paved in miles.....	784
Sidewalks in miles.....	1,500
Traffic signals.....	792
Parking meters.....	7,263
Bridges.....	4

**PARKS AND RECREATION**

Personnel.....	235
Major parks.....	4
Neighborhood and community parks.....	215
Neighborhood playgrounds.....	192
Community recreation centers.....	42
Golf courses.....	2
Swimming pools.....	26
Tennis courts.....	60

**BOSTON LOGAN AIRPORT**

Acreage.....	2,400
Miles of runway.....	5
Miles of taxiway.....	14
Domestic and international airlines.....	55
Passengers served in 1999 (approximately).....	26 million

Sources: The City of Boston Elections department, Budget office, Public Works, and Parks/Recreation department, Boston Police department and Fire department, National Weather Service, Massachusetts Hospital Association, Logan International Airport, and the Boston Public Library.



